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NHCN Special Report:
The 1985 Consumer Brands Study—pp. 29-75

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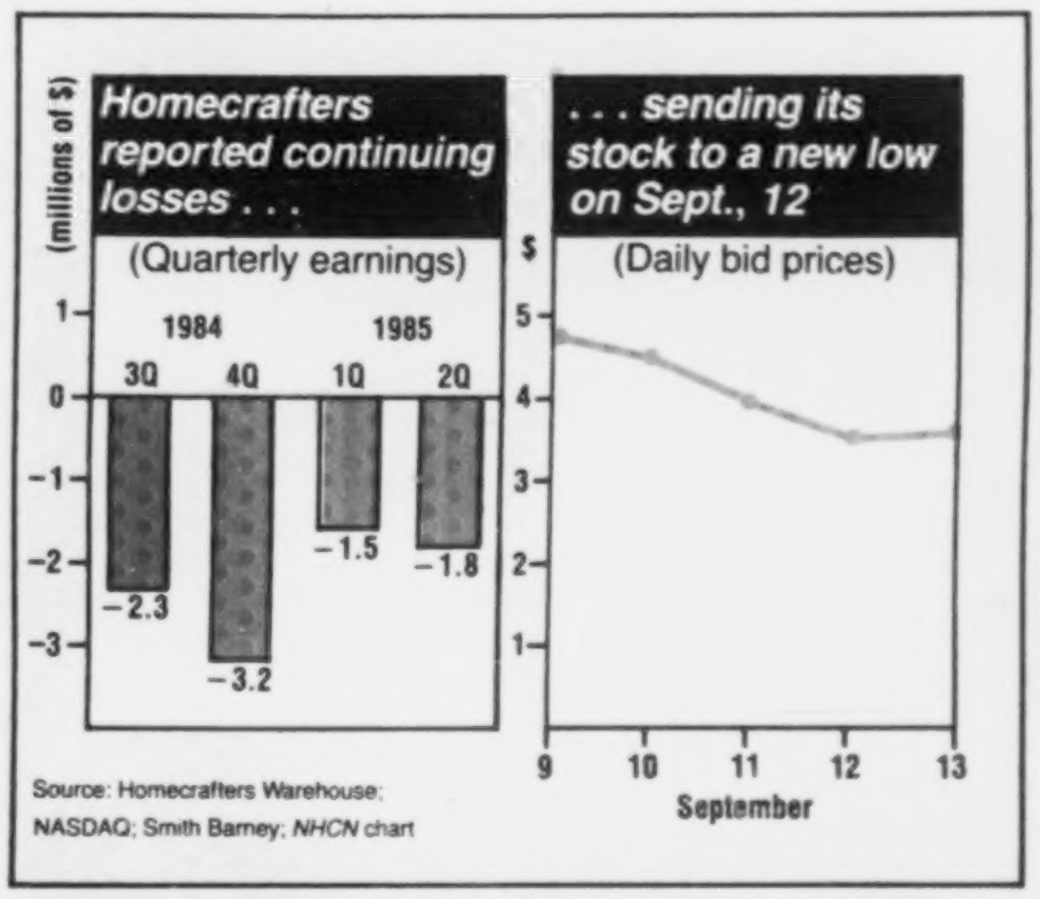

Source: Homecrafters Warehouse; NASDAQ; Smith Barney; *NHCN* chart

Continuing losses drive Homecrafters stock down

By Phillip M. Perry
NHCN senior editor

BIRMINGHAM, Ala. — Homecrafters Warehouse announced last month that it expected to incur continuing losses for the next two quarters. The announcement, combined with news of the chain's fourth consecutive quarterly loss, sent the company's stock plummeting to new lows.

The company also said that it had been granted additional short term debt of $3 million by its primary bank on Sept. 13. The company, which now has short term debt of $21 million, and total debt of $25 million, said it would be necessary to go back to its bank within the next 90 days for additional short-term financing, in order to be able to fund continuing daily operations.

(Continued on page 5)

NEWSBREAKS

MARTIN LEAVES NLBMDA. John Martin left the National Lumber and Building Material Dealers Assn. last month after serving as executive vp for six years. He accepted a similar post with the Dairy and Food Industries Assn. A successor has not been named.

INSIDE:

Emhart acquires True Temper —Page 2
New 230,000-sq.-ft. unit opens in Arkansas —Page 3
Southern lumber bugged by new foe —Page 3
Housing starts jump 6% in August—Page 10
Effort for forklift safety film gains momentum —Page 78
Indiana independent enhances consumer image —Page 82

Ole's enlists large prototype in defense against whse units

By Brad Altman
NHCN associate editor

LOS ANGELES—A large-store prototype is being rolled out in the W. R. Grace's western region. Three Ole's Plus outlets ranging from 60,000 sq. ft. to 77,000 sq. ft. will open by the end of October.

The units contain 60% more inventory than Ole's conventional 40,000-sq.-ft. units and emphasize big-ticket merchandise.

The number of stockkeeping units remains the same as at the conventional Ole's, 21,000, but more merchandise is carried in stock rather than on special order.

The new prototype is a refinement of Ole's marketing approach designed to battle encroachment on its turf by the warehouse operators, which include The Home Depot, Builders Square and HomeClub.

The initial Ole's Plus is a 77,000-sq.-ft. outlet in Riverside (*NHCN*, Aug. 12), located a short distance from a Builders Square which opened two weeks before the Ole's Plus Aug. 29 debut.

The second Ole's Plus opens in Las Vegas on Oct. 17 followed by its third super store, in Claremont, Calif., on Oct. 31.

The Las Vegas and Clare-

(Continued on page 98)

OLE'S PLUS PLUS

Ole's Plus Super Home Centers contain 60% more inventory than Ole's conventional units and emphasize big-ticket merchandise. Pictured is the Riverside, Calif., store. NHCN photo

Scotty's promotes key executives; moves toward young management

By Donald Longo
NHCN Managing Editor

WINTER HAVEN, Fla. — Scotty's, the $450 million, 117-store Florida chain, has promoted several key executives as part of efforts to hand over operational responsibilities for running the chain to a younger management team headed by its 42-year-old president, Dennis Stults.

Jim Sweet, chairman, and Ray Cooney, vice chairman, who was president for 12 years until earlier this year, will be taking a less active role in the day-to-day affairs of the company.

Scotty's also reported it has abandoned plans to build a second distribution center in Deerfield Beach on Florida's southeast coast. The expansion of the company's main distribution and warehouse facility in Winter Haven, expected to be completed by December, has alleviated the need for the Deerfield Beach distribution center, according to company officials.

Chairman Sweet, in announcing the management moves that will give younger executives more responsibility, noted that Scotty's five-man management committee, including himself, Cooney, Stults and senior vp and cfo Harold Taylor, will retain control over major financial decisions, such as real estate acquisitions, and be responsible for long-range, strategic planning.

Richard Martineau, 34, vp, treasurer and controller, and Kevin Fitzgerald, 41, vp, purchasing, were given key promotions.

Martineau, the chain's senior accounting officer, was added to the management committee in January and was recently given operational responsibility of the company's data processing department. Martineau joined Scotty's in 1978 as controller from the company's accounting firm, Arthur Andersen & Co.

Fitzgerald will add the responsibilities for warehousing, transportation and manufacturing to his purchasing duties on Jan. 1, 1986. Those departments had previously reported to Cooney, whom, Sweet said, will assume some of the chairman's responsibilities.

Fitzgerald also joined Scotty's from Arthur Andersen &

(Continued on page 97)

Specialty plumbing retailer plans national franchises

By John Caulfield
NHCN senior editor

DALLAS — Last month, Plumbing Mart Stores Inc., an offshoot of a local wholesaler that has operated here since 1946, launched its national franchising program for small, 4,000- to 6,000-sq.-ft., plumbing specialty stores that will emphasize service and breadth of assortment.

Plumbing Mart has been developing its franchising plan for two years, using the four company-owned stores it has opened since 1979 as merchandising and marketing "laboratories," according to the firm's president, Lawrence Siegel.

Five franchises, all in the Dallas-Fort Worth Metroplex, are scheduled to open by year's end, with another five planned for 1986. "We will be taking our initial expansion slow, because we want nothing but successes with our first stores," said Siegel. "But our ultimate plans are to expand this program nationally."

Plumbing Mart's success will not come easily, particularly in Dallas, perhaps the most competitive home improvement

(Continued on page 98)

Lawrence Siegel, president of Plumbing Mart, plans to have five plumbing specialty store franchises open in the Dallas/Fort Worth area by year's end.

Goodbuys adds beds; new home center category

By Elizabeth Brent
NHCN field editor

PHILADELPHIA — When Mr. Goodbuys opened its 100,000-sq.-ft. unit in Cedarbrook Mall, north of Philadelphia, on Sept. 12, it also unveiled a new category—beds, the first such department in the industry.

It is stocked with a range of headboards, footboards, frames and boxsprings. Similar departments are now also in place at Mr. Goodbuys' Lawnside, N.J., store and the chain's

(Continued on page 97)

NHCNews Briefs

Industry Update

Standard Brands into rural units

TORRANCE, Calif. — Standard Brands, the specialty retailer here, is experimenting with a smaller unit catering to less densely populated markets.

In August, the company opened a 7,500-sq.-ft. Home Decorating Store in Victorville, Calif., population 14,200, as its first venture into smaller, rural markets of under 100,000, with a scaled down unit stocking an abbreviated product mix. (This unit will offer the chain's full product mix on a special order basis.)

Standard Brands has not foresaken its larger units, though. The 15,500-sq.-ft. store it opened in Bakersfield in July netted the highest first-day sales in the company's history. And its new store in Costa Mesa includes a mini-version of the company's Art Store, an arts and crafts specialty outlet. Two more of these combo units are scheduled to open in fiscal 1985, according to Standard Brands' recently released second quarter report.

For this period, ended July 28, Standard Brands' earnings fell 14.9% to $5,452,000 from revenues of $95,458,000, which were up 12.5% over the same period last year.

Bank acquires 5.3% of Handyman

SAN DIEGO — The Boatmen's National Bank, St. Louis, said that it had purchased 5.3% of the outstanding common stock of Handyman, the $269 million chain of 55 home center stores. The acquirer filed with the SEC on Sept. 3, stating that it had acquired 134,430 shares of Handyman, and that the shares "were not acquired for the purpose of, and do not have the effect of, changing or influencing the control of the issuer."

Toro profits 2nd best in 70 yrs.

MINNEAPOLIS — The Toro Co. announced that its profits for the year ended July 31, were the highest in six years and the second highest in the 70-year history of the company.

The maker of power lawn care, irrigation and snow removal equipment, reported earnings of $13.2 million on sales of $336.8 million, which represented increases of 59% in earnings and 20.2% in sales. The year garnered the third highest sales total in company history. Earnings per share rose 98¢ to $1.67.

Fourth quarter earnings were $1.6 million or 17¢ per share on sales of $71.1 million, compared with earnings of $1.4 million or 15¢ on sales of $50 million during the year-earlier period.

Mich. General moves HQ to N.J.

SADDLE BROOK, N.J. — The headquarters of Michigan General, the $449 million parent company of Diamond Lumber, was moved from its former location in Carrollton, Tex., to this town on Sept. 9. The offices of Michigan General are now located in the building occupied by General Felt, a $400 million privately held carpet manufacturer and distributor.

The move reflects the growing control General Felt has been able to achieve over Michigan General. Rocco Barbieri, president of General Felt, was elected president of Michigan General in June. "As an accommodation to him, we moved to Saddle Brook, so he wouldn't have to commute," explained Peter S. Dye, cfo for Michigan General.

In conjunction with the move, two top executives who did not wish to relocate have been replaced. Dye, who was the auditor of Michigan General in his former capacity as partner in Deloitte, Haskins & Sells, Dallas, replaced Al Von Stein as cfo. George F. Kerkhove, formerly assistant controller at Kimberly Clark, Neenah, Wis., has been named Michigan General controller, replacing William Fager.

Wickes finalizes $1B G&W deal

SANTA MONICA, Calif. — Wickes Cos., which reached an agreement in principle on June 9 to acquire Gulf + Western Industries' consumer and industrial businesses for about $1 billion cash, said it has completed the purchase.

The acquisition, which closed Sept. 12, included Wickes' assumption of approximately $73 million in long-term debt related to the group, which is comprised of apparel and hosiery, bedding and home furnishings, automotive parts distribution and manufacturing segments.

Under terms of the sale, G + W has a five-year option to purchase 10 million shares of Wickes common stock at $6 per share.

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HomeClub hires outside talent to strengthen financial base

By Brad Altman
NHCN associate editor

FULLERTON, Calif. — HomeClub, on the verge of raising as much as $36 million in its first public stock offering, has hired Federated Department Stores executive Rudolph L. Hirsch as executive vice president, chief administrative officer and secretary.

A source close to HomeClub said the Sept. 10 arrival of Hirsch seems to indicate that in conjunction with going public, the directors of HomeClub believed that Wall Street money managers would like to see the rapidly expanding company strengthen its financial acumen with outside talent.

Hirsch is expected to have full administrative and financial responsibilities that will include personnel development as well as systems, legal, banking and treasury functions, according to a prepared statement.

Company officials declined to be interviewed, saying they aren't allowed to comment beyond what is stated in the preliminary prospectus filed Sept. 6 with the SEC.

The 57-year-old Hirsch most recently was senior vp of Cincinnati-based Federated Department Stores, which posted 1984 sales of $9.7 billion. Hirsch was in charge of the 589-unit chain's divisional operations and corporate services.

According to the prospectus, Hirsch will become HomeClub's highest-paid executive under the compensation plan. The filing said employment agreements expiring in 1988 put Hirsch's salary at $180,000 a year plus a $50,000 first-year bonus. HomeClub ceo Robert McNulty's annual compensation was set at $210,000.

Rudolph L. Hirsch
executive vp, secretary
HomeClub

George J. Handgis, 33, exec-

(Continued on page 97)

Mr. HOW modifies last HomeOwners unit

By Donald Longo
NHCN managing editor

COCONUT CREEK, Fla. — The last remnant of the name "HomeOwners Warehouse" disappeared last month when the company, which a year ago changed its moniker to Mr. HOW Warehouse, began remodeling its 70,000-sq.-ft. flagship unit here.

Opened in March of 1983, the first HomeOwners Warehouse store, located in the Coconut Creek Shopping Plaza in southeastern Florida, was the last store in the Mr. HOW chain to undergo the name-change. This store, as well as two other existing units in Plantation, Fla., and Augusta, Ga., retained their HomeOwners identity, while 21 stores the company subsequently opened in several markets across the country took on the Mr. HOW name.

The name-change was promoted through radio and full-page newspaper ads with the slogan, "Nothing's changed but the name ".

The remodeling of the Coconut Creek store is aimed at updating the unit to bring it in line with newer Mr. HOW Warehouses, said general manager Howard Post. Among the modifications:

- Higher racking with more backup stock on top to better utilize the verticle cube;
- Stacking merchandise on pallets in the power aisle rather than directly on the floor to pre-

(Continued on page 98)

Purchase price exceeds $115 million

Emhart agrees to buy True Temper

FARMINGTON, Conn. — Emhart Corp., in the midst of converting into a more consumer-oriented manufacturer, early last month signed a letter of intent to acquire the True Temper division of Allegheny International, the Pittsburgh supplier.

The purchase price was estimated by both companies' officials to be in excess of $115 million. Details leading to the sale are expected to be completed late this year. True Temper's sales this year are projected to be more than $140 million. If the deal goes through, Emhart's consumer products' volume would exceed $400 million.

True Temper is one of the best-known names in the home improvement industry. It markets several lines of lawn and garden tools, wheelbarrows, seeders and spreaders under the "True Temper," "Jackson" and "Cyclone" brand names. Emhart would acquire the division's five domestic manufacturing facilities in South Carolina, New York, Pennsylvania and Tennessee, as well as a plant in Canada.

The division is also an original equipment manufacturer of golf club shafts, tennis rackets and tubular components for high-quality bicycles. Emhart would also buy its three plants making sporting goods (as well as mili-

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BEST AVAILABLE COPY

Arkansas retailer unveils 230,000-sq.-ft. unit

LITTLE ROCK, Ark. — Its name might seem a bit grandiose given its size and location, but there is nothing meager about the National Home Center's new soon to open outlet here.

It is simply one of the largest home center units anywhere: 230,000 sq. ft. of retail showroom, warehouse and attached lumberyard, scheduled to open the first week of October.

For the little-known retailer—which prides itself as "Arkansas's largest building materials center"—the unveiling of the massive new unit is this company's "coming out party" in the home center industry, according to Dwain A. Newman, president and ceo.

Formerly named the National Lumber Co. the three-unit independent—which has only been in the home center industry for three years—has already emerged as an aggressive and prosperous retailer, with 1985 total corporate revenues, which include other building supply businesses, expected to hit $54 million, about $20 million better than 1984's.

Founded by Newman in 1972, the National Lumber Co. had been a diverse building materials supply firm that catered almost exclusively to the professional contractor market. To satisfy that customer base, Newman said the company acquired a kitchen cabinet manufacturer, a plywood distribution plant, a lumberyard and operated its own floor and truss-making company.

"I think that experience showed that there are consumers out there everyday," Newman said.

"The home center industry is more stable, and does not have the tremendous peaks and valleys [of building supply materials]."

It was a decision the company has not regretted. In fact, business has been so encouraging that National Home Center recently sought out the New York investment bank of Donaldson, Lufkin & Jenrette Inc. to assist the Arkansas retailer in making a public stock offering sometime next year. Newman said analysts who examined the company's gross revenues found that National Home Center is growing at the rate of 20% a year and is expected to make $94 million in 1986, which includes all the company's businesses.

Since zeroing in on the DIY market, Newman estimated the company percentage of consumer to contractor sales at 60/40.

Meanwhile, Newman said there are plans under way to make the company's name accurate. He revealed that the chain will build two more "superstores" within the next 18 months, one to be located next May in central Little Rock. But, farther down the road, Newman indicated the National Home Center will expand into unsaturated home center markets in other states.

For the moment however, the resources of National Home Center are pinned on its new $4 million location in northern Little Rock. While it has two other units in rural areas—a 25,000-sq.-ft. facility in Fort Smith and a 30,000-sq.-ft. outlet in Springdale (the company's first home center and its headquarters)—the Little Rock store is the company's first foray into an urban market.

While it will be competing with Lowe's, Sutherland, Payless Cashways, and a host of independents, Newman is confident that National Home Center has the right mix of prices, product variety, service and location to snatch away a significant share of the market.

Although the new store will be as large as a Home Depot or a Mr. HOW-national chains whose names are synonymous with warehouse retail concept—Newman said there will be no similarities in merchandising. He said 90,000 of the 230,000-sq.-ft. facility will comprise the main showroom, built around a race track floor plan. It will have easy-to-reach, eye-level racking and forklifts will not compete with customers for maneuvering room in the aisles. He added that the shoppers should have no trouble locating the 30,000 sku's, which will be marked by department signs.

(Continued on page 98)

National

Future plans include making a public stock offering next year.

New foe bugs southern lumber; beetles gnaw 800M board feet

By Milford Prewitt
NHCN associate editor

NATIONAL REPORT — Southern pine producers may well become the most ardent believers this year of Murphy's Law, the lamentable notion that if anything can go wrong, it will.

First they were eaten alive by Canadian Lumber imports. Then, President Reagan threatened to take a bite with his to-be-debated proposal to eliminate timber capital gains in the tax reform measures he drafted. All of this during a summer of uneven housing starts, dwindling demand and declining lumber prices.

Now a bug smaller than a popcorn kernel is doing its bit to gnaw away at the financial health of southern foresters.

In what the United States Forest Service (USFS) has called the worst insect infestation in memory, about 800 million board feet of southern pine has been destroyed by a plague of the southern pine beetle.

Usually content to consume old trees in spotted, isolated cases, the beetle has attacked younger, healthier trees, ravaging some 130,000 acres of forest in Texas, Louisiana, Mississippi and Alabama.

When combined with the acres of healthy trees that have been cut to forge a buffer between the infested and uninfested stands, about 50,000 acres of forest have been decimated in Texas alone, or about 15% of that state's annual harvest, according to Dr. Ron Billings, an entomologist with the Texas Forest Service.

While the two-year-old infestation's despoilment of 50,000 acres only comprises less than one-half of 1% of Texas' 11 million forest acres, southern forest producers still have a lot to worry about.

At the height of their concerns is the harsh economic reality of what preventive cutting is doing to their revenues and investments. In order to put some distance between the pine beetle and the healthy forests, lumbermen have to cut huge swaths of good timber, which have lumbermills backlogged, created a glut in the market and pushed the price of lumber down during a period of weak

(Continued on page 16)

Pine Beetles Devour Southern Lumber

(lumber destroyed in million board feet)*

Texas	245
Louisiana	200
Mississippi	13
Alabama	14

*Federally owned land only
Source: United States Forest Service

NHCN chart

To slow pine beetle infestation, lumbermen have undertaken preventive cutting measures, creating a backlog at mills.

WESTERN HOME CENTER
BUILDING SUPPLY DEALERS
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Stanley Marcus, chairman emeritus for Neiman-Marcus, delivered the keynote speech.

Western Show attendance falls again; support local

ANAHEIM, Calif. — Despite a dramatic drop in exhibitors and big-chain retailer participation in the three-year-old Western Home Center & Building Supply Dealers Show held here Sept. 19-21, the three-day exhibition appeared to be a welcome resource for smaller, regional building supply dealers and home centers that do not participate in the industry's major national shows.

The show directory listed about 200 exhibitors this year, compared with 1984's 350 exhibitors and 1983's 500. The show occupied only one 50,000-sq.-ft. hall at the Anaheim Convention Center, substantially trimmed from the two halls used during the previous two exhibitions.

Approximately 6,000 preregistered for the show, up from 1984's preshow figure, but actual show attendance estimates were not immediately available, according to John Berry, director of the trade show division for Vance Publishing Co.,

(Continued on page 97)

L.A. SPRAWLS INLAND; HOME CENTERS FOLLOW

Young, affluent San Bernardino/Riverside prime target

By John Caulfield
NHCN senior editor

SAN BERNARDINO, Calif. — This summer saw the San Bernardino/Riverside market, California's fastest-growing, emerge almost overnight into one of the state's new hotbeds for home center competition.

Within a few weeks of each other, Ole's, The Home Depot and Builders Square dropped new stores into the market. Ole's opened its first "Ole's Plus," a 60,000-sq.-ft. unit, in Riverside, while Depot planted an 80,000-sq.-ft. warehouse in San Bernardino—its third California store—earlier this month. Builders Square had already entered the fray with the 80,000-sq.-ft. warehouse it debuted in Riverside this July.

These three stores are expected to exert considerable pressure on the other companies already operating in the market, such as Builders Emporium, 84 Lumber, National Lumber, Standard Brands, HomeClub and Homestead Supply.

All these dealers will be vying for sales from consumers who, according to a new study on the market, look to home centers far more than any other retail outlet to buy home improvement merchandise.

These area shoppers are both price- and quality-conscious, and are remarkably attentive to a store's advertising.

However, these consumers also appear to spend less on DIY products and projects than do shoppers in other parts of the country. According to the survey, which tested consumer buying patterns in seven different major metropolitan markets, more than 3 out of 5 San Bernardino/Riverside consumers expected to spend *less* on DIY fare over the next 12 months than they spent over the previous year.

Given these findings, and the fact that the market now has a number of new players (with more to come, presumably), the battle among home centers for consumers' disposable incomes should make San Bernardino/Riverside *the* market to watch in the coming months.

The survey was conducted for *NHCN* by Leo J. Shapiro & Assoc., a Chicago research firm. Seven markets—San Bernardino, Long Island, Columbus, Phoenix, Houston, Chicago and Virginia Beach—were

(Continued on page 90)

Consumers prefer direct mail over newspaper inserts

SAN BERNARDINO, Calif. — Nearly 6 out of every 10 households in this market prefer to get information about home improvement products through direct mail circulars rather than either newspaper ads or television spots, a new study has found.

And while consumers here use ads principally to find items that are on sale, they also use them to compare one store's prices with another's, and to evaluate how broad an assortment of products are being carried by a store.

In most respects, consumers in the San Bernardino/Riverside market are typical home improvement shoppers, according to a market study conducted for *NHCN* by Leo J. Shapiro & Associates, a Chicago research firm. The study was part of a seven-market profile examining home improvement activity (*NHCN*, July 15, 1985) in fast growing U.S. markets.

Close to 3 out of 5 consumers here said they peruse an ad once a week, while another 10% will check an ad out once or twice a month. A typical consumer in this market will spend a mean average of five minutes with an ad, although nearly one-fifth said they spend "several minutes" with an ad piece, and another 1 in 7 consumers took 10 minutes to look an ad over.

The main benefit from an ad, according to an average of 4 out of 10 shoppers, was the information it provided on product sales. Another 10% of those polled said ads helped them compare prices with other stores.

Consumers in San Bernardino/Riverside indicated they want product selection in their ads; more than 3 out of 10 indicated they looked at ads to assess a store's assortment. Consequently, shoppers here prefer multiple-page ads to smaller inserts or four-to-eight page newspaper circulars.

(Continued on page 97)

FINANCIAL NEWS

11 Gainers

3 Unchanged

42 Losers

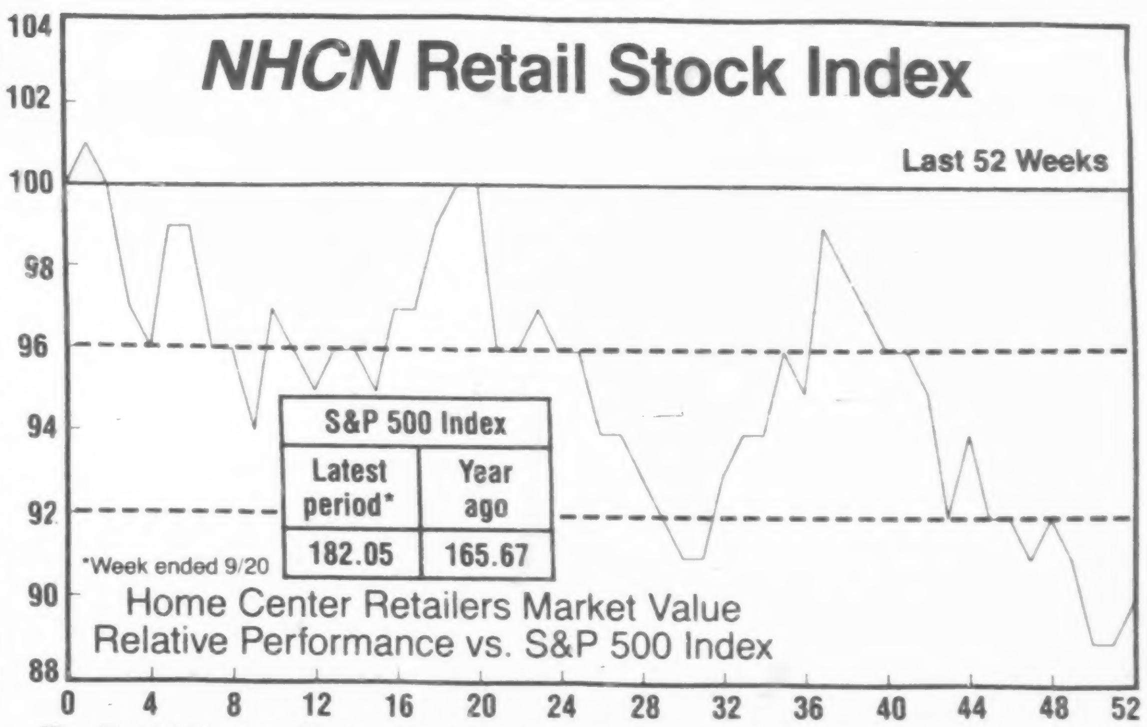
A 45% price decline by Homecrafters Warehouse was the deepest valley over a two-week period that saw losing home center stocks outnumber percentage-price gainers by a margin of 42 to 11. Three issues were unchanged.

Homecrafters, after reporting its fourth consecutive quarterly loss (see story, page 1), fell to $2.75 on 480,000 shares traded during the two-week period ended Sept. 20.

Evans Products, currently reorganizing under Chapter 11 protection, was off 18.8% to $1.63 on a volume of 707,000 shares. National Lumber declined 14.3% during the two-week period to close at $6 on 638,000 shares traded. Payless Cashways neared its 52-week low of $13.75 when it closed at $14 on Sept. 20. That was a 12.5% price drop from the previous two-week closing price.

No home center retail issue showed more than a 3% price gain over the two-week period. The marginal gainers were led by Hechinger (A and B), Edward Hines Lumber and K mart (which owns Builders Square).

Despite the disappointing numbers posted on the home center stock scene, the *NHCN* Retail Stock Index edged slightly upward in relation to the Standard & Poor's 500 Index, which reflected sluggishness in the overall market.



S&P 500 Index	
Latest period*	Year ago
182.05	165.67

*Week ended 9/20

The Retail Stock Index is calculated for each of the past 52 weeks by multiplying the market value of home center issues (combined price divided by total shares outstanding) by a constant which adjusts the index to show its relation to performance of S&P 500 Index over the past 52 weeks.

MOST ACTIVE STOCKS

Company & Market	Total 2-Week Volume	Volume Trend Change	2-Week Price Change
	(100)	%	%
Am Standard N	21,058	422.3	- 6.1
Forest City Ent A	282	366.7	- 4.3
Pay N Pak N	4,844	275.2	- 6.9
Mor-Flo Inds M	615	272.3	- 1.4
Erb Lumber M	48	237.5	- 2.1

Company & Market	Total 2-Week Volume	Volume Trend Change	2-Week Price Change
	(100)	%	%
Insilco Corp N	5,328	223.5	.0
Sherwin-Wms N	4,712	200.0	- 3.7
Hechinger A M	4,373	197.6	1.5
INTERCO Inc N	14,007	195.3	- 3.1
Allegheny Int N	2,324	184.2	.6

TOP GAINERS

Company & Market	2-Weeks Ended 12-21-84	2-Week Price Change	Total 2-Week Volume
	$	%	(100)
Ply-Gem A	16.13	6.6	458
Hechinger B M	17.00	3.0	1,001
Clopay Corp A	14.88	1.7	117
Hechinger A M	17.25	1.5	4,373
Emhart Corp N	28.88	1.3	2,310

TOP LOSERS

Company & Market	2-Weeks Ended 12-21-84	2-Week Price Change	Total 2-Week Volume
	$	%	(100)
Homecrafters Whse M	2.75	- 45.0	480
Evans Prod N	1.63	- 18.8	707
Natl Lumber M	6.00	- 14.3	638
Payless Cash N	14.00	- 12.5	13,322
SW Forest Ind N	11.63	- 12.3	2,129

National Home Center News. HOME CENTER INDUSTRY MARKET SUMMARY

	Stock Market											Financial Update																	
	Price							Volume				P E	Indicated Divd. Rate		Latest Report			Latest Quarter						Year-to-Date					
	2-Weeks Ended	2-Weeks Change		2-Week Range		52-Week Range		2-Weeks Shares Traded		12-Week Avg. Vol.	Volume Trend				New		Date	Revenue		Net Income		E.P.S.		Revenue		Net Income		E.P.S.	
Company and Market	9-20-85	Amt.	Pct.	High	Low	High	Low	Total	% Out	As % Out	Change	Ratio	Amt.	Yld.	Report	Period	Ended	Amt.	Chg.	Amt.	Chg.	Amt.	Chg.	Amt.	Chg.	Amt.	Chg.	Amt.	Chg.
-	$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
Retailers																													
Boise Cascade N	43.88	- 2.63	- 5.6	46.38	43.00	51.00	36.25	7,445	2.72	1.49	82.6	19.0	1.90	4.3	.....	6 mos.	06-85	952.8	- 4.6	31.7	- 5.4	1.07	- 7.8	1910.3	- 1.9	65.0	5.9	2.19	3.8
Color Tile M	17.38	- .75	- 4.1	18.13	16.88	20.00	15.25	4,653	5.01	2.96	69.3	12.0	.00	.0	.....	fiscal	06-85	97.8	35.5	4.0	8.1	.44	10.0	347.2	22.8	13.3	- 4.3	1.45	1.4
Edison Bros N	32.13	.13	.4	32.25	31.00	38.25	31.00	1,553	1.53	.89	71.9	13.1	1.60	5.0	.....	6 mos.	06-85	85.6	- 57.6	3.8	- 32.1	.38	- 29.6	362.5	- 28.5	7.7	- 50.6	.76	- 49.0
Erb Lumber M	23.00	- .50	- 2.1	25.50	23.00	26.50	18.00	48	.54	.16	237.5	5.1	.00	.0	.....	6 mos.	06-85	53.8	26.6	2.4	84.6	2.60	84.4	80.9	17.2	2.0	122.2	2.20	122.2
Evans Prod N	1.63	- .38	- 18.8	1.88	1.63	6.00	1.63	707	.51	.20	155.0	NE	.00a	.0	.....	6 mos.	06-85	315.3	- 18.0	(24.1)	NE	(1.82)	NE	544.6	- 14.8	(63.8)	NE	(4.77)	NE
Forest City Ent A	22.50	- 1.00	- 4.3	23.00	22.50	24.88	19.38	282	.70	.15	366.7	27.1	.15	.7	.....	6 mos.	07-85	53.5	- 28.6	3.4	36.0	.43	34.4	127.2	1.4	3.6	414.3	.45	309.1
Grace W R N	40.50	- 1.88	- 4.4	42.63	40.50	45.00	38.50	3,998	.82	.80	2.5	11.7	2.80	6.9	.....	6 mos.	06-85	1908.8	9.6	41.4	- 28.0	.83	- 29.7	3488.8	7.7	76.9	- 25.6	1.55	- 26.9
Hechinger A M	17.25	.25	1.5	17.25	16.25	23.19	14.41	4,373	5.00	1.68	197.6	NA	.16	.9	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hechinger B M	17.00	.50	3.0	17.25	16.25	24.19	14.59	1,001	.74	.47	57.4	17.9	.08	.5	.....	6 mos.	07-85	129.3	13.0	7.2	7.5	.30	3.4	243.9	20.6	11.0	8.9	.47	6.8
Hines Ed Lumber O	42.50	.50	1.2	43.50	42.00	43.75	36.50	60	.34	.18	88.9	22.4	1.00	2.4	.....	6 mos.	06-85	79.8	3.1	1.7	112.5	1.01	124.4	129.4	2.0	.9	800.0	.53	783.3
Homecrafters Whse M	2.75	- 2.25	- 45.0	4.63	2.75	10.00	2.75	480	1.70	1.96	- 13.3	NE	.00	.0	.....	6 mos.	07-85	51.8	19.4	(1.8)	- 100.0	(.64)	- 100.0	97.6	22.2	(3.3)	- 100.0	(1.18)	- 100.0
Home Depot N	11.75	- .25	- 2.1	12.75	11.50	20.38	10.50	5,768	2.30	2.54	- 9.4	26.1	.00	.0	.....	6 mos.	07-85	174.3	46.5	2.5	- 34.2	.10	- 33.3	319.3	48.6	4.4	- 38.9	.18	- 37.9
INTERCO Inc N	69.75	- 2.25	- 3.1	73.25	66.75	73.63	55.75	14,007	9.95	3.37	195.3	17.5	3.08	4.4	.....	3 mos.	05-85	589.0	- 8.8	11.2	- 42.6	.71	- 39.3	589.0	- 8.8	11.2	- 42.6	.71	- 39.3
K mart Cp N	32.25	.38	1.2	33.50	30.75	41.50	30.75	43,990	3.52	1.55	127.1	9.7	1.40	4.3	.....	6 mos.	07-85	5460.5	8.1	74.8	- 48.2	.58	- 47.7	10444.6	13.2	133.3	- 34.1	1.04	- 33.3
Lowe's Cos N	21.63	- 2.00	- 8.5	23.63	21.00	31.13	20.38	5,947	1.64	.85	92.9	12.8	.36	1.7	NEW	6 mos.	07-85	595.6	22.8	20.9	1.5	.58	1.8	1047.9	21.1	32.8	- 1.5	.91	- 1.1
Mich General A	4.75	- .25	- 5.0	5.13	4.50	8.13	4.50	1,401	1.24	1.31	- 5.3	NE	.00	.0	.....	6 mos.	06-85	119.0	- 2.9	(12.7)	- 100.0	(1.13)	- 100.0	207.1	- 6.0	(15.3)	- 100.0	(1.36)	- 100.0
Natl Lumber M	6.00	- 1.00	- 14.3	6.75	5.00	7.50	4.50	638	1.13	.94	20.2	26.1	.00	.0	NEW	6 mos.	06-85	36.5	9.9	.5	25.0	.09	28.6	67.9	10.0	.7	.0	.12	- 7.7
Pay N Pak N	11.88	- .88	- 6.9	13.13	11.63	16.25	11.50	4,844	4.84	1.29	275.2	12.1	.64	5.4	.....	3 mos.	05-85	82.6	11.0	2.1	- 12.5	.21	- 12.5	82.6	11.0	2.1	- 12.5	.21	- 12.5
Payless Cash N	14.00	- 2.00	- 12.5	15.88	13.75	23.38	13.75	13,322	3.63	1.51	140.4	12.8	.16	1.1	NEW	9 mos.	08-85	380.8	13.8	12.4	- 3.9	.36	- 10.0	1011.4	19.8	27.0	- 2.5	.80	- 7.0
Scotty's Inc N	13.00	- .75	- 5.5	13.75	13.00	16.38	12.50	1,025	.77	.55	40.0	10.1	.52	4.0	.....	fiscal	06-85	120.4	5.6	5.5	- 6.8	.39	- 9.3	453.4	6.8	17.5	- 3.3	1.29	- 7.2
Sears, Roebuck N	33.75	- 1.13	- 3.2	35.25	33.38	39.13	29.75	45,052	1.25	.61	104.9	9.0	1.76	5.2	.....	6 mos.	06-85	9697.1	1.3	265.5	- 25.4	.72	- 27.3	18600.0	3.2	488.8	- 14.2	1.32	- 17.0
Std Brd Pnt N	20.50	- .38	- 1.8	21.00	19.25	23.88	17.75	4,207	3.77	1.46	158.2	11.5	.56	2.7	NEW	6 mos.	07-85	95.5	12.5	5.4	- 15.6	.48	- 15.8	176.4	8.4	10.2	- 7.3	.91	- 8.1
Supermkts Gen N	42.63	- 1.63	- 3.7	44.50	39.88	48.38	26.50	3,728	2.09	.80	161.3	12.2	.48	1.1	.....	6 mos.	07-85	1287.3	32.1	6.1	- 61.1	1.01	14.8	2502.7	34.5	17.9	- 10.1	1.67	49.1
Wolohan Lumber M	6.38	- .25	- 3.8	6.75	6.13	7.25	4.50	781	1.33	.59	125.4	12.5	.16	2.5	.....	6 mos.	06-85	43.4	10.7	1.3	30.0	.24	41.2	66.5	8.3	1.0	42.9	.18	50.0
Wholesalers																													
Lewis Palmer M	7.13	.00	.0	7.25	6.88	9.75	6.88	549	1.47	.55	167.3	59.4	.28b	3.9	.....	6 mos.	07-85	37.5	- 6.9	.2	- 60.0	.06	- 60.0	70.5	1.6	.2	- 75.0	.06	- 76.0
Manufacturers																													
Allegheny Int N	21.00	.13	.6	21.50	20.50	28.75	20.25	2,324	2.16	.76	184.2	NE	1.40	6.7	NEW	6 mos.	06-85	500.5	- 3.8	10.0	- 40.5	.23	- 54.0	1007.7	- 1.0	15.1	- 32.3	(.12)	- 100.0
Am Standard N	27.00	- 1.75	- 6.1	29.13	27.00	35.38	26.75	21,058	5.38	1.03	422.3	9.0	1.60	5.9	.....	6 mos.	06-85	878.3	- 1.6	37.3	6.3	.95	4.4	1667.3	9.4	57.6	4.7	1.47	- 4.5
Armstrng Wrld N	33.88	- .75	- 2.2	35.00	31.88	39.75	26.88	7,278	3.04	1.33	128.6	8.8	1.30	3.8	.....	6 mos.	06-85	429.9	5.3	32.3	19.2	1.34	20.7	806.5	1.9	50.2	- .8	2.09	2.0
Black & Decker N	17.50	- 1.25	- 6.7	18.50	17.25	26.88	17.25	15,967	3.17	1.39	128.1	14.6	.64	3.7	.....	9 mos.	06-85	371.9	- .3	(7.1)	- 100.0	(.14)	- 100.0	1278.0	21.7	36.7	- 48.2	.72	- 51.0
Certain-teed N	24.50	.25	1.0	24.75	23.50	28.50	15.75	1,582	.83	.41	102.4	11.6	.70	2.9	.....	6 mos.	06-85	291.0	- 6.2	16.5	- 2.4	.84	- 1.2	543.9	- 7.6	24.7	- 5.0	1.25	- 3.8
Champ Intl N	21.25	- 1.63	- 7.1	23.25	21.25	26.75	18.38	19,867	2.14	1.15	86.1	NE	.52	2.4	.....	6 mos.	06-85	1598.9	38.8	43.3	8.0	.42	- 36.4	3244.7	41.1	87.1	25.9	.85	- 24.1
Clopay Corp A	14.88	.25	1.7	14.88	14.50	22.19	11.25	117	.77	1.03	- 25.2	13.4	.16	1.1	.....	6 mos.	06-85	36.0	6.5	.0	- 100.0	.04	- 89.2	65.2	6.0	(.5)	- 100.0	(.32)	- 100.0
DeSoto Inc N	32.38	- .13	- .4	32.88	32.00	37.88	30.63	209	.44	.62	- 29.0	9.9	1.40	4.3	.....	6 mos.	06-85	127.9	1.4	6.4	.0	1.34	17.5	220.9	2.8	7.2	- 28.0	1.51	- 15.6
Emhart Corp N	28.88	.38	1.3	28.88	28.25	33.13	26.25	2,310	.84	.70	20.0	9.8	1.40b	4.8	.....	6 mos.	06-85	449.5	- 3.3	25.3	14.0	.91	3.4	869.4	- 6.1	39.4	- 9.2	1.42	- 17.9
Georgia-Pacifc N	22.00	- 1.00	- 4.3	23.13	21.38	27.38	20.13	13,846	1.35	.92	46.7	21.2	.80	3.6	.....	6 mos.	06-85	1794.0	7.4	67.0	- 20.2	.61	1.7	3374.0	6.8	116.0	- 14.1	1.04	7.2
Insilco Corp N	17.63	.00	.0	18.25	17.13	20.72	15.34	5,328	2.75	.85	223.5	9.7	1.00b	5.7	.....	6 mos.	06-85	230.7	9.4	10.6	6.0	.57	3.6	428.0	7.3	16.6	.0	.90	- 1.1
La Pacific N	18.38	- .88	- 4.5	19.25	17.75	24.75	17.75	4,870	1.37	.69	98.6	17.8	.80b	4.4	.....	6 mos.	06-85	345.0	6.3	5.0	- 33.3	.14	- 36.4	616.0	- 2.8	7.4	- 48.3	.21	- 48.8
MacMlln Bldel N	13.25	- 1.25	- 8.6	14.75	12.75	21.81	12.75	145	.05	.09	- 44.4	24.5	.00a	.0	.....	6 mos.	06-85	598.0	11.9	7.8	47.2	.05	NE	1136.6	20.1	10.4	NE	(.08)	NE
Manville Cp N	5.50	- .38	- 6.4	5.88	5.25	8.63	5.13	3,786	1.58	2.48	- 36.3	2.4	.00	.0	.....	6 mos.	06-85	500.8	9.7	20.4	12.7	.59	20.4	934.0	7.8	32.6	5.8	.84	10.5
Masco Corp N	31.38	- .75	- 2.3	32.50	30.50	36.00	24.00	10,825	1.87	.84	122.6	22.4	.56	1.8	.....	6 mos.	06-85	256.0	80.3	36.3	433.8	.63	- 33.7	485.0	71.9	71.8	443.9	1.24	- 32.6
Mor-Flo Inds M	17.75	- .25	- 1.4	18.00	17.63	20.25	14.63	615	2.42	.65	272.3	6.7	.01	.1	.....	6 mos.	06-85	53.6	3.7	1.7	.0	.69	1.5	106.0	5.4	3.4	6.3	1.34	3.9
Natl Gypsum N	48.00	- 2.00	- 4.0	50.50	47.50	51.88	34.00	3,328	2.14	1.41	51.8	6.5	2.28	4.8	.....	6 mos.	06-85	443.6	- 1.3	35.5	21.2	2.28	21.3	809.4	- 3.6	61.5	15.0	3.95	15.2
Newell Co N	16.63	.00	.0	17.25	16.25	19.00	13.25	583	.68	.34	100.0	9.8	.50	3.0	.....	6 mos.	06-85	81.7	9.2	4.8	20.0	.53	15.2	161.2	6.8	8.0	15.9	.88	10.0
Owens Corning N	32.75	- 1.75	- 5.1	34.88	32.75	37.00	28.88	5,496	1.85	1.05	76.2	8.3	1.40	4.3	.....	6 mos.	06-85	789.9	3.3	20.2	- 18.5	.68	- 20.0	1467.9	.6	48.2	5.9	1.63	5.2
Ply-Gem A	16.13	1.00	6.6	16.13	15.00	16.50	12.50	458	1.25	.91	37.4	15.4	.16	1.0	.....	6 mos.	06-85	42.8	- 1.6	.9	- 30.8	.22	- 38.9	83.5	1.0	2.0	- 16.7	.52	- 24.6
Pope & Talbot N	17.00	- 1.75	- 9.3	18.88	16.75	21.50	15.25	209	.35	.27	29.6	NE	.80	4.7	.....	6 mos.	06-85	85.2	8.7	1.8	- 30.8	.30	- 31.8	168.3	6.1	4.0	- 14.9	.67	- 15.2
Potlatch Cp N	33.50	- 1.00	- 2.9	35.13	33.50	38.13	28.00	1,341	.87	.38	128.9	13.4	1.56	4.7	.....	6 mos.	06-85	248.6	- 3.9	10.5	- 34.4	.61	- 33.7	483.3	- 5.0	22.0	- 22.8	1.28	- 19.0
Sherwin-Wms N	35.88	- 1.38	- 3.7	37.50	33.25	40.00	25.50	4,712	2.07	.69	200.0	11.9	.92	2.6	.....	6 mos.	06-85	606.6	8.8	28.5	11.3	1.24	12.7	1098.7	7.6	34.2	11.8	1.49	12.9
SW Forest Ind N	11.63	- 1.63	- 12.3	13.50	11.13	18.50	11.13	2,129	2.29	1.51	51.7	NE	.00	.0	.....	6 mos.	06-85	178.8	- 14.7	(2.9)	- 100.0	(.47)	- 100.0	349.3	- 9.1	(4.5)	- 100.0	(.80)	- 100.0
Stanley Works N	28.25	- 1.38	- 4.6	30.00	27.63	31.38	23.88	2,342	.84	.51	64.7	10.5	1.04	3.7	.....	6 mos.	06-85	311.9	6.7	19.2	6.1	.70	7.7	588.8	5.6	33.2	4.1	1.22	7.0
Thos Inds N	17.13	- 2.13	- 11.0	19.38	17.13	19.38	13.97	651	.76	.49	55.1	9.5	.68b	4.0	.....	6 mos.	06-85	78.9	9.3	3.9	8.3	.47	9.3	152.8	13.1	7.1	- 7.8	.84	- 7.7
Triangle Pac N	29.38	.25	.9	29.63	28.63	31.25	22.63	497	1.20	.53	126.4	8.7	1.00	3.4	.....	6 mos.	06-85	67.1	- 9.7	4.3	10.3	1.04	7.2	129.2	- 5.0	6.9	7.8	1.66	5.7
USG Corp N	38.13	- .13	- .3	39.75	37.75	44.50	26.38	6,216	1.87	.83	125.3	6.6	1.68	4.4	.....	6 mos.	06-85	645.6	8.7	61.7	5.8	1.84	4.0	1233.9	14.9	104.2	6.5	3.12	5.4
Walter, Jim N	34.00	- 1.63	- 4.6	35.38	32.50	39.25	26.75	6,456	3.07	1.78	72.5	6.9	1.40	4.1	.....	9 mos.	05-85	579.8	2.7	31.2	6.1	1.43	5.9	1664.4	- 1.7	73.3	15.8	3.36	15.9
Waxman Ind M	12.25	- 1.50	- 10.9	13.75	12.00	16.88	5.50	757	2.43	1.28	89.8	13.8	.08	.7	NEW	fiscal	06-85	21.3	80.5	.5	66.7	.23	76.9	82.7	98.3	2.2	120.0	.89	122.5
Weyerhaeuser N	26.50	- 2.25	- 7.8	29.00	26.50	34.00	25.88	16,427	1.26	.59	113.6	21.9	1.30	4.9	.....	6 mos.	06-85	1400.1	622.4	59.7	- 42.5	.41	- 43.8	2675.8	81.9	97.9	- 30.3	.65	- 32.3

All data is based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Reporting period
3 mos.—First quarter of fiscal year
6 mos.—First six months of fiscal year
9 mos.—First nine months of fiscal year
Fiscal—Fiscal year
NEW—New report since last issue

General Field Footnotes
NA—Not available or not applicable
NC—Data required for calculation currently incomplete in our files
NE—Negative earnings invalidate calculations
NM—No meaningful figure
a—Under dividend amount, indicates a stock dividend
b—Indicates cash plus stock dividend when applied to dividend amount column

All earnings data and all related calculations using earnings data use primary earnings from total operations and after taxes. Earnings are before extraordinary items, when such items are applicable.

Market
N—New York Stock Exchange
A—American Stock Exchange
O—NASDAQ Over-the-Counter
M—NASDAQ National Market

Data and Table Provided by Media General Financial Services Inc., Richmond, Va. 23219

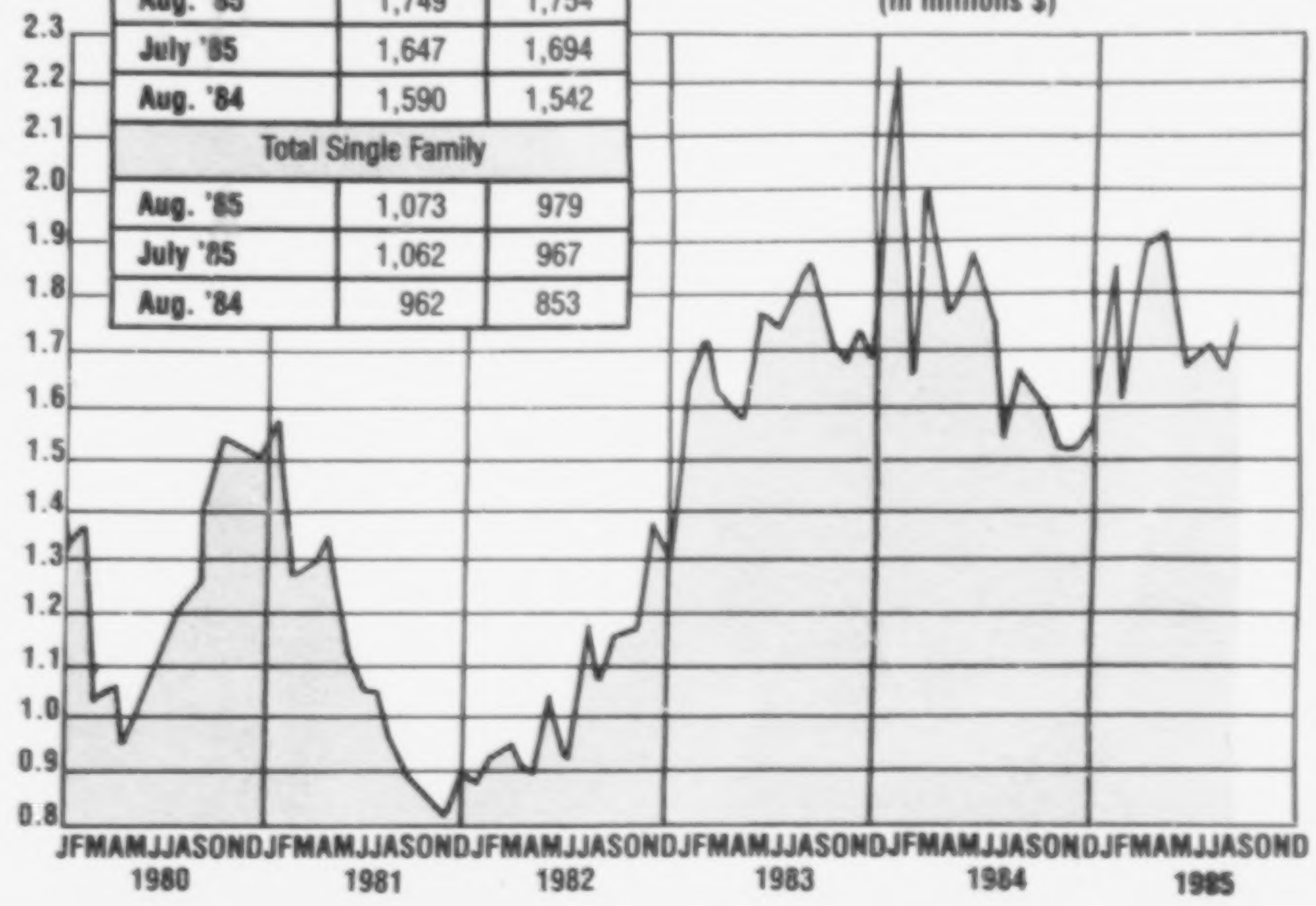
HOUSING WATCH

U.S. housing starts

Seasonally adjusted annual rates

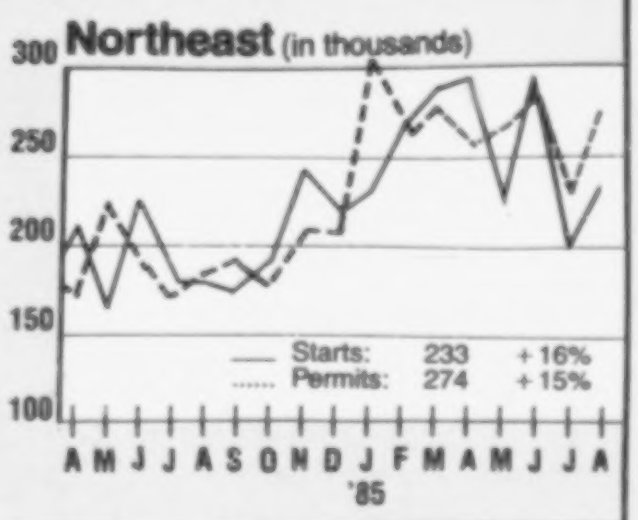
(in millions $)

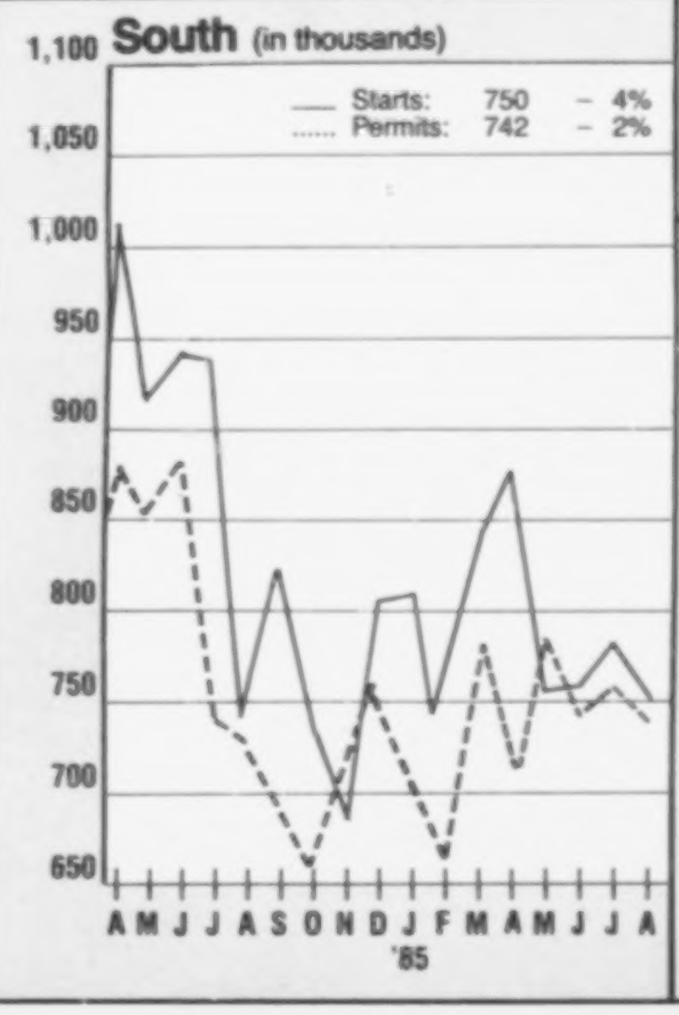
TOTAL (in thousands)	Starts	Permits
Aug. '85	1,749	1,754
July '85	1,647	1,694
Aug. '84	1,590	1,542
Total Single Family		
Aug. '85	1,073	979
July '85	1,062	967
Aug. '84	962	853

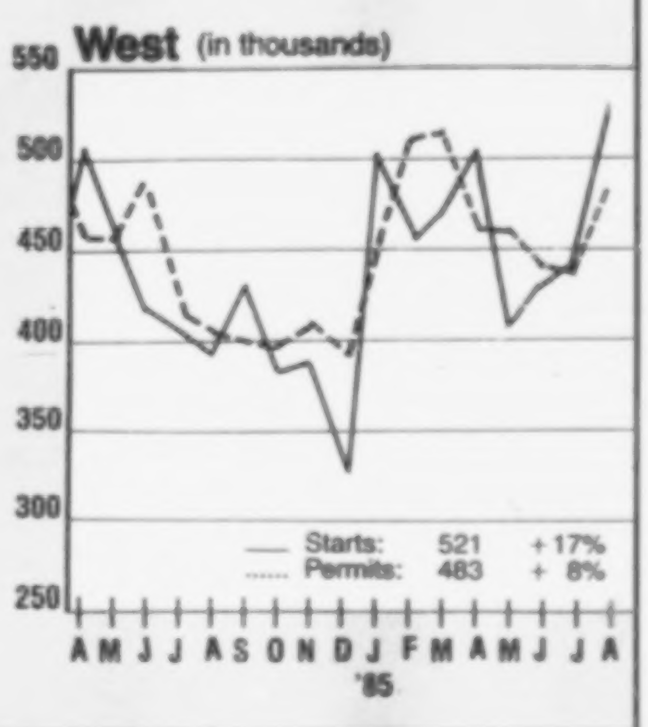


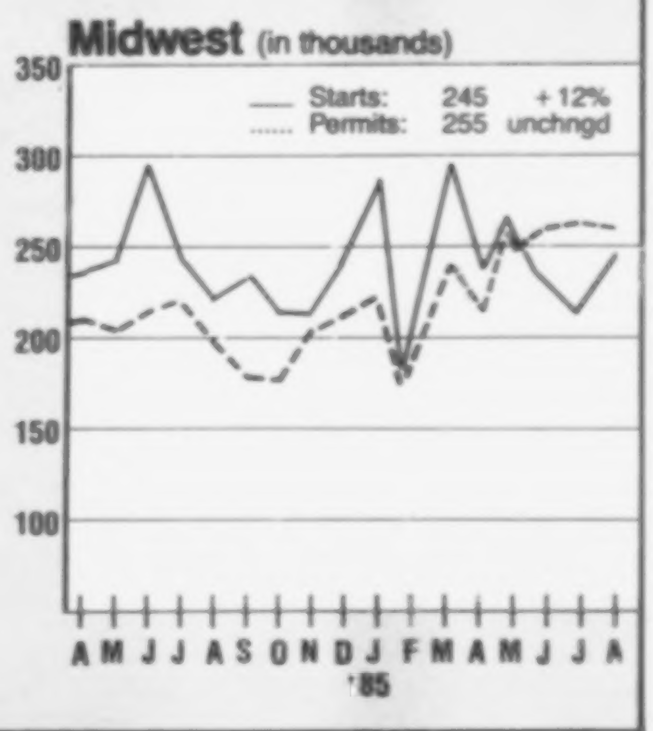
Multihousing builders breathed "a vast sigh of relief" when they reviewed August's housing starts figures, according to George Sternlieb, director of Rutgers University's Center for Urban Policy Research. The 6% increase in activity was particularly good news to builders in the Northeast where construction continues to boom and real estate investment is high.

Source: U.S. Dept. of Commerce, Bureau of the Census









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- Satin, Gloss and Woodgrain finishes.
- Easy-to-display cartons sell more WALL BASE per square foot.
- Ask about our new "DRYBACK" Program: .090" thick, 48-inch lengths.

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Starts jump 6% in August to 1.7 million units

NATIONAL REPORT — Housing starts in August jumped 6% to a seasonally adjusted 1.7 million units "indicating that housing is in a very sturdy condition," asserted George Sternlieb, director of Rutgers University's Center for Urban Policy Research in New Brunswick, N.J.

"One thing is very, very clear," he commented, "America's love affair with housing is far from over." But, he cautioned, "If this is the locomotive we've been looking for, it's going to need a little more help."

He noted that declining interest and mortgage rates were expected to ignite new construction activity and subsequent sales this year, but that has not occurred. "If you back away and look at the big picture, the August results were modest," he noted.

Permit activity, however, continued to outpace starts in August, to a seasonally adjusted annual rate of 1.75 million units, an increase of 4%. Both single-family permits and starts activity inched up 1% in August, to 979,000 and 1.07 million units, respectively, according to the U.S. Commerce Department.

The "hottest" housing market continues to be the Northeast, which rebounded from July declined 31% and 14% in starts and permits, respectively. In August, this region produced 233,000 units or a 16% starts increase, permits were ahead 15% to 274,000.

The South, which has had a see-saw-pattern of activity this year, was the only region to post a decline in both starts and permits. It recorded a 4% starts decline, to 750,000 units, seasonally adjusted, and a 2% drop in permit activity, to 742,000 units, in August, the Commerce Department reported.

After a more than 6% drop in housing starts in July, the Midwest posted a 12% gain in August, to 245,000 units, seasonally adjusted. Permits were off slightly, at less than one-half of 1%, at 255,000 units, seasonally adjusted.

The West up 17% in housing starts, to 521,000 units, and 8% in permits, to 483,000 units.

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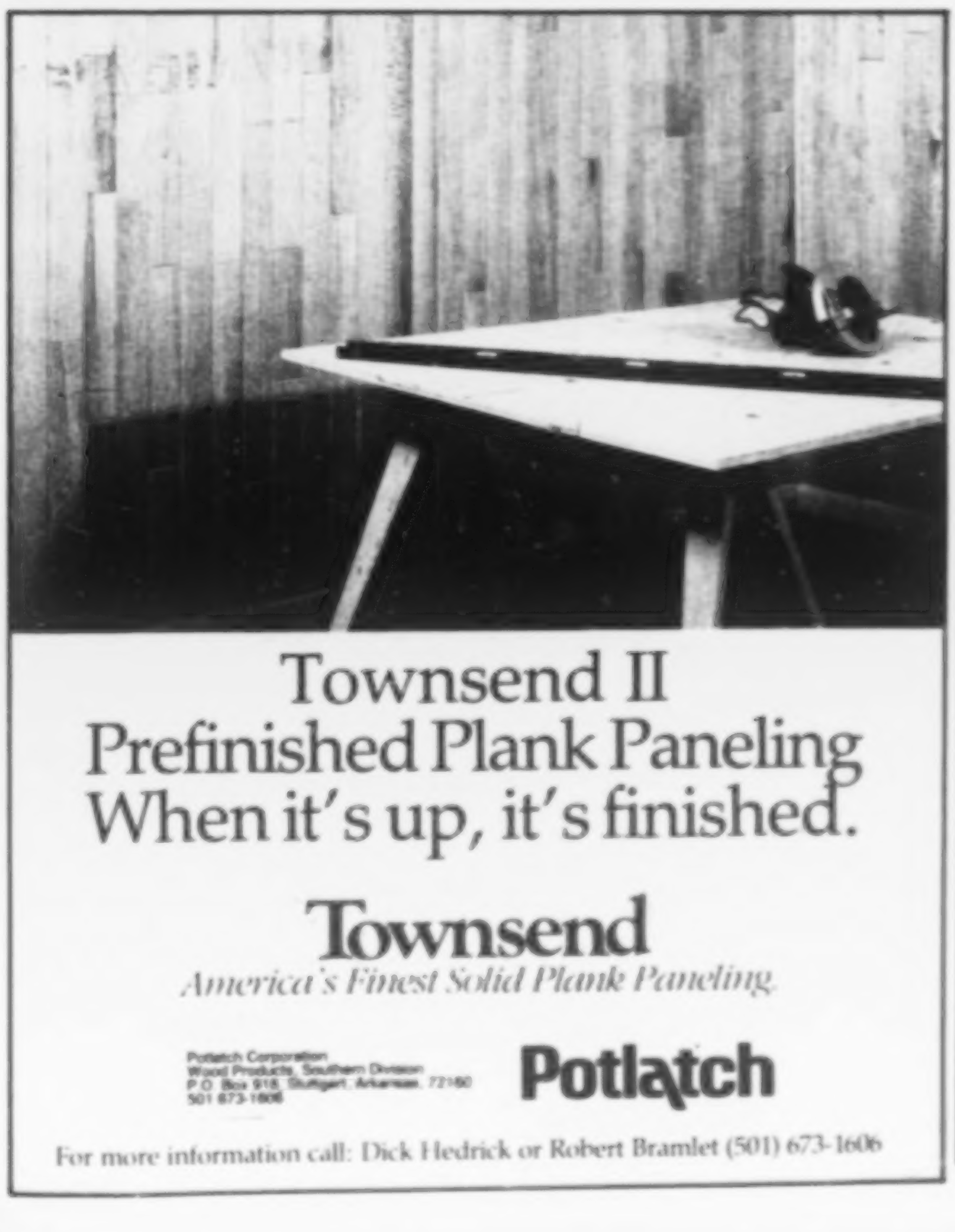

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LUMBER REPORT

New foe bugs southern lumber; beetles gnaw 800M board feet

(Continued from page 3)

demand.

Frank Norris, editor of *The Southern Timber Mart*, a newsletter that follows southern commodity prices and futures, said stumpage prices for southern yellow pine, for example, have dropped from $125 per thousand board feet to $65 this season. In Texas, the department of forestry supports Norris' analyses, reporting that timber has gone from $160 per thousand board feet to $25 during the month of August.

However, *Random Lengths*, the monitor of plywood and lumber prices in the continent, reports that the price of wood is expected to rebound in the South due to repairs and lumber demand following the wake of Hurricane Elena last month.

Part of the problem with the Southern pine beetle stems in its lifecycle. Among the insect world, the bug has the slowest metamorphosis, growing from egg to larvae to adult in about a month. But what it loses in maturation, it makes up for in desolation. The bug can kill a healthy tree in just three days by boring in through the bark and preying on the nutrient rich underskin that feeds the tree. For timber growers, that means increased business costs, for once a tree has been killed, a landowner has approximately six months to cut it and get the log to a mill before the sap makes the wood worthless.

For both big and small landowners, the attack of the pine beetle is nothing less than a 20 or 30 year investment going to waste. While the bigger companies are more advantaged by having crews and mills to immediately cut the infested timber, small landowners bear the cost of paying someone to cut the trees. In some cases, they even have to pay to have someone take the wood away.

Even if they make it to the mills, the operators may reject the timber, according to Gus Nachod, chief of forest management for the Louisiana Forest Commission. Nachod explained that because the pine beetle carries a fungus that turns the wood blue, many mill operators have become picky about the wood they buy from the landowner. If the wood is blue stained, it increases the bleaching costs for integrated mills in making pulp for paper and in producing fresh plywoods.

Up to now, the retail cost of lumber has not been noticeably affected by the pestilence. A check with lumber buyers at some major home center chains—Payless Cashways, Lowe's and Scotty's—shows that the purchase price of commodities have held steady throughout the summer and there has been no appreciable impact of the beetle infestation problem on retail sales or purchases.

One reason advanced for this has to do with the high percentage of lumber stocks retailers buy from Canada and from wholesalers in the Northwest.

Another reason suggested for the minimal impact of the pine beetle on retail activity stems from the view that most of the bug-killed salvage lumber is sold and used within the states where the tree grew. Bob Slocum, who heads the private woodlands program for the National Forest Products Association, said it is rare that infested wood is shipped out of state because of the existing glut and the suspect quality of infested lumber.

While the impact on retail prices may be slight, the long term affect of the beetle is still being assessed.

While no one is worried that American timber supplies are in peril since the extent of the infestation has been meager in proportion to the amount of untainted forest, the USFS believes that with the coming of fall and the cooler temperatures the infestation will move into Georgia, Florida and South Carolina. The pine beetle, which seems to launch a major outbreak evey eight to 10 years, thrives in cooler temperatures. But unlike recent years, the current assault is the first time the bug has prospered during this unseasonably warm summer.

Ken Swain, of the USFS of Atlanta, said foresters have learned to control the bug, to some extent, through "cut and leave" harvesting. He said once the logs are left on the ground horizontally, the insect becomes disoriented and seems unable to focus in on the vertical silhouettes it needs to strike a new tree. Swain said another unusual feature about the current problem is that the pine beetle's natural predators have been able to keep the insect in check.

In the meantime, the Sierra Club has filed suit in Texas and Louisiana to halt the cut and clear methods of saving the forest. The environmental group chargest that a species of woodpecker that lives in dead pine trees is threatened by the harvesting methods.

FUTURES

Two weeks ended Sept. 12, 1985

LUMBER (CME)—130,000 bd. ft. spruce-pine-fir 2x4's; $ per 1,000 bd. ft.

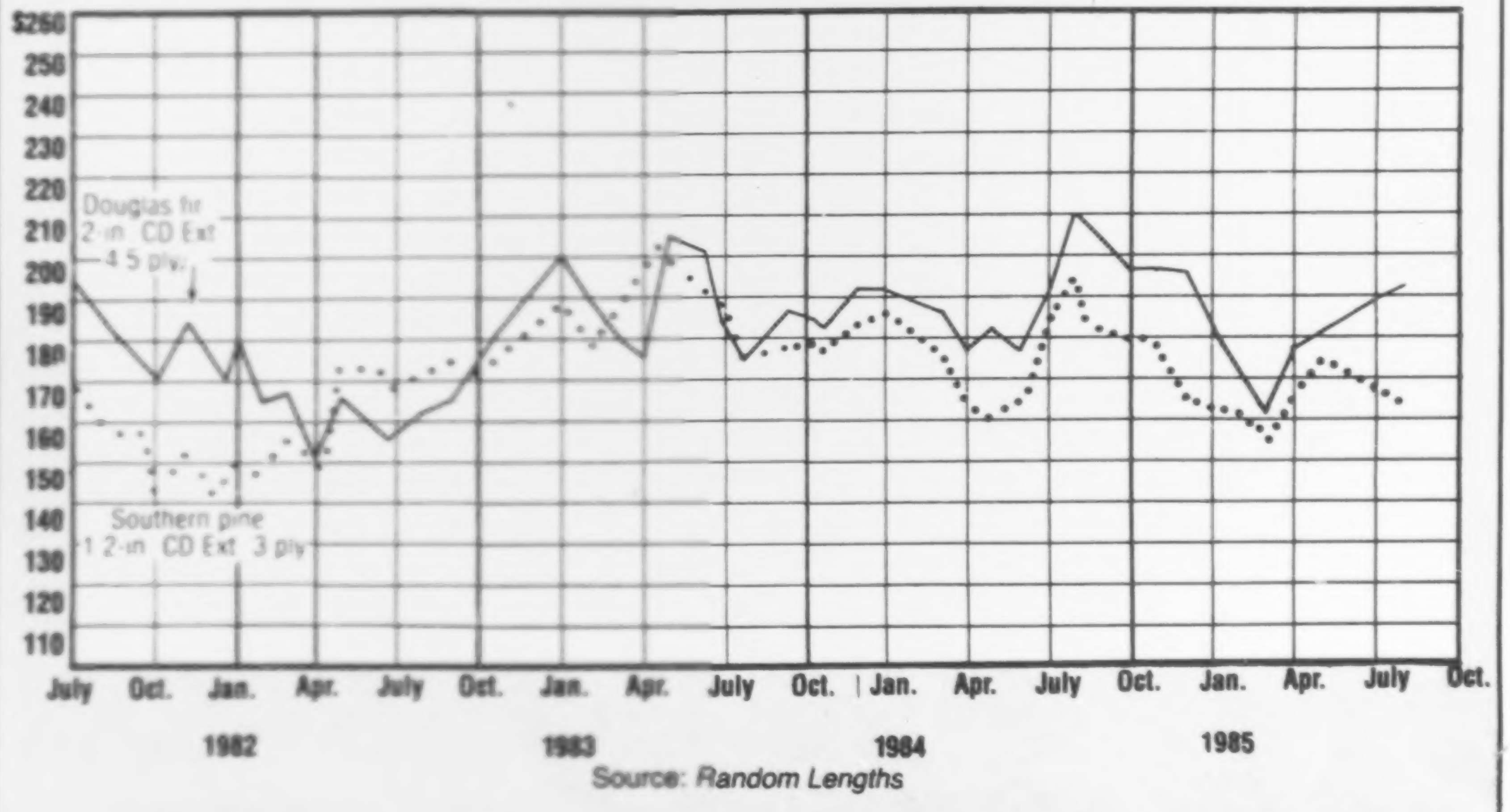
	High	Low	Close	Previous Week	Open* Interest	Contract High	Contract Low
Sept. '85	152.00	139.50	150.70	139.00	327	197.50	127.80
Nov.	138.80	133.60	138.60	135.20	3,960	186.10	126.50
Jan. '86	141.50	137.50	140.90	138.30	1,760	187.30	133.60
March	145.80	142.70	144.90	144.10	827	195.00	139.70
May	150.50	147.20	148.70	149.30	362	176.40	145.20
July	154.60	151.10	151.80	153.00	92	183.40	149.50
Sept.	158.00	154.00	155.50	156.00	71	180.00	153.50

Total Contract Vol. (Through 9/12): 12,041 **Previous Two Weeks: 15,587**
Total Open Interest (As of 9/12): 7,399 **Previous Week: 8,412**
Cash Price: $151.90 **Previous Week: $146.02** **Year Ago: $132.20**

CME—Chicago Mercantile Exchange
*Figures for Thursday, Sept. 12
Open interest is the number of outstanding contracts for each delivery month not liquidated by an offsetting transaction or fulfilled by delivery.

Commodity close-up: Western & Southern Plywood

Average monthly mill prices



Source: *Random Lengths*

The composite price for plywoods held firm throughout much of the summer, reflecting the continued demand for the product by wholesalers and retailers. Although there was a slight decline in the price of the commodity, demand is expected to remain strong into the fall.

Prices for western ½-in. CD ext. three-ply dropped $2 to $174 per thousand board feet.

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ADVERTISING & MARKETING

TV spending leaps 43% in first half of '85

NATIONAL REPORT — During the first six months of 1985, 15 home center companies spent over $17 million on TV advertising. That is 43.5% more than during the same period last year, according to the Television Bureau of Advertising.

The increase in TV ad spending went hand in hand with the opening of new stores, as several warehouse and home center companies, adding units to existing markets, made buying TV time more economical. Television grand opening campaigns heralded the arrival of warehouse companies into new markets. Houston, Chicago, Cleveland and Nashville saw the battle for market share played out on TV. Traditional companies switched their advertising priorities to TV, or experimented with TV in their home markets for the first time in order to strengthen their existing positions.

Pay 'N Pak, based in Kent, Wash., increased its TV ad spending by 6,270% in the first six months of 1985 compared with the same period last year, as it prepared to open multiunits in the San Francisco market.

On the West Coast in general, major chains braced for the onslaught of The Home Depot and Builders Square and channeled advertising funds into buying TV time, particularly in the southern California market.

In Los Angeles, Ole's Home Centers, part of W. R. Grace's Western Region, increased its TV ad spending by 39% to $902,700, and National Lumber based in Santa Ana, Calif., spent 13% more on TV ads in Los Angeles than in the first half of 1984, for a total of $1,048,000.

Wickes Cos., based in Santa Monica, Calif., appeared to shift funds from the TV ad budget of Wickes Lumber, the company's Midwest chain, into Builders Emporium, based in Irvine, Calif. In the first half of 1984 Wickes Lumber spent $473,900 on TV advertising but in 1985 this figure had dropped by 90% to only $47,000. Builders Emporium however, embarked on an aggressive TV ad policy in 1985, spending 105% more on TV than in the first half of 1984, with a total of $1,586,800.

Payless Cashways, based in Kansas City, Mo., topped the list of TV ad spenders, as it has for the past several quarters,

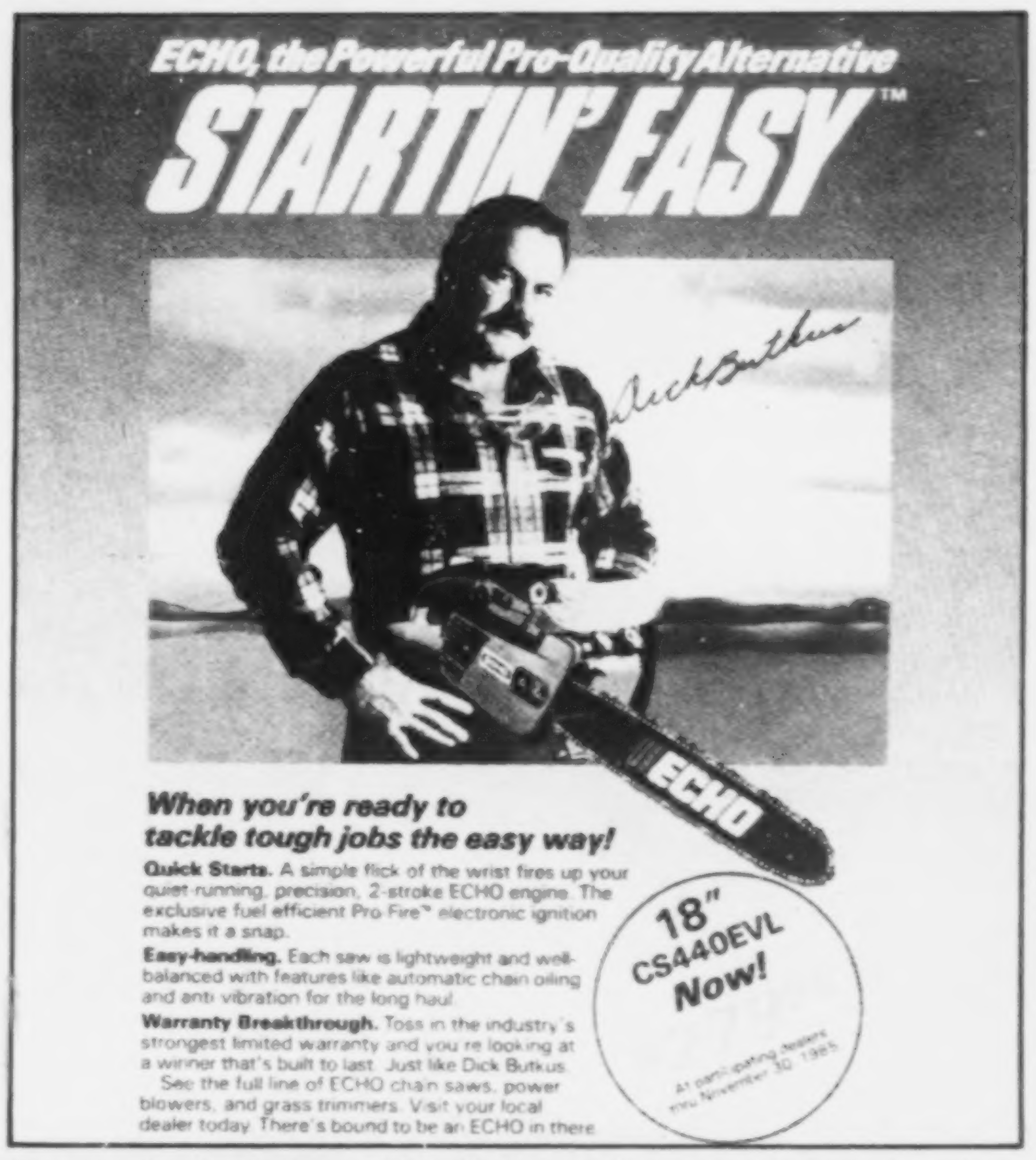
(Continued on page 24)

TV advertising expenditures

(1st half of 1985)

Chain	Market	Expenditures Jan./June 1985	Jan./June 1984	% Change
Payless Cashways	Multimkt.	$3,937,100	$2,918,900	+ 35.0%
Payless Cashways	Multimkt.	1,971,100	1,246,400	+ 58.0
Furrow's	Multimkt.	1,403,700	1,128,400	+ 24.0
Lumberjack	Sacramento	388,800	388,400	– 0.1
Somerville	Boston	173,500	155,700	+ 11.0
Home Depot	Multimkt.	2,259,700	1,302,500	+ 73.0
Wickes Cos.	Multimkt.	1,633,800	1,248,400	+ 31.0
Builders Emporium	Multimkt.	1,586,800	774,400	+ 105.0
Wickes Lumber	Multimkt.	47,000	473,000	– 90.0
Builders Square	Multimkt.	1,199,500	599,300	+ 100.0
Lowe's	Multimkt.	1,108,000	751,500	+ 47.0
National Lumber	Los Angeles	1,048,000	925,000	+ 13.0
Hechinger Lumber	Multimkt.	992,000	804,200	+ 23.0
Mr. HOW Warehouse	Multimkt.	976,600	—	—
Sutherland Lumber	Multimkt.	909,100	1,679,600	– 46.0
Ole's Home Centers	Los Angeles	902,700	650,700	+ 39.0
Plywood Minnesota	Multimkt.	774,500	708,400	+ 9.0
Pay 'n Pak	Multimkt.	681,600	10,700	+6,270.0
Rickel	Multimkt.	525,000	—	—
Mr. Goodbuys	Multimkt.	441,400	516,800	– 15.0

Source: Television Bureau of Advertising, from Broadcast Advertisers Reports data; *NHCN* chart


ECHO, the Powerful Pro-Quality Alternative
STARTIN' EASY™
Dick Butkus
ECHO
18" CS440EVL Now!
At participating dealers thru November 30, 1985

When you're ready to tackle tough jobs the easy way!

Quick Starts. A simple flick of the wrist fires up your quiet-running, precision, 2-stroke ECHO engine. The exclusive fuel efficient Pro Fire™ electronic ignition makes it a snap.

Easy-handling. Each saw is lightweight and well-balanced with features like automatic chain oiling and anti vibration for the long haul.

Warranty Breakthrough. Toss in the industry's strongest limited warranty and you're looking at a winner that's built to last. Just like Dick Butkus.

See the full line of ECHO chain saws, power blowers, and grass trimmers. Visit your local dealer today. There's bound to be an ECHO in there.

Former football player Dick Butkus will appear in Echo's print, radio and television ads beginning this fall. The ads will feature the tag line "Startin' Easy."

Football star named for Echo ads, but gargantuan size poses problems

LAKE ZURICH, Ill. — When Echo announced that its new corporate spokesman was Dick Butkus, the expectation was that he would create a strong, tough and durable image that would carry over into the consumer's perception of Echo products. What Echo didn't expect was that Butkus would be so big that his presence would overpower the products in ads.

"When you put the product in his hands, it looks like he is holding a toy," said Steve Cartozian, marketing manager of Echo, after being asked why his company's new spokesman is not shown in print ads using or holding the products. "He literally dwarfs the product."

But his size and image were exactly what Butkus was hired for, and the proportion problems were worked out by superimposing the power tools in front of Butkus in the print ads and by cropping close on the product in the TV spots.

Butkus beat out Jack Nicholas and Merlin Olson in test marketing studies to determine which one of the three pre-

(Continued on page 26)

Hyde sales reps report for duty in national war games exercises

SOUTHBRIDGE, Mass. — Dressed in army fatigues and camouflaged hats, over 60 "privates" in the Hyde Tools Sales Brigade assembled at 14:00 hours on June 22, for War Games '85.

The HQ for the company's national sales meeting was the Southbridge Sheraton, and 1985 was the first year that the meeting was conducted in military-style.

At 12:00 hours on Sunday, June 23, the troops, armed with camouflaged pens, were briefed on the national profile of buyers' needs. The next item on the agenda was "field training." The privates were formed into special squads, or task forces and given case histories, photos and details of a retail store and its personnel. The operation required each squad to select two volunteers to role-play buyer and sales rep at the end of the War Games session. Each squad was graded by its superior officers.

"The mission of the meeting was to train the reps to make an effective presentation and not waste the buyer's time," said Drill Instructor Don Cummings, whose civilian duties are as marketing director for Hyde Tools.

The height of the War Games came at 10:00 hours on Monday, June 24, when troops were broken into "operational detachments" to receive hands-on training or "weapons training." The weapons: Hyde tools.

"We want our reps to know more about Hyde's tools than just pricing and programs," said Cummings.

The Sheraton hotel became an operations center, full of cement, bricks, dry wall and wallpaper as the troops went into action. After viewing an audio-visual "How to Do It" film, each detachment had to lay brick, cement, erect dry wall and hang wallpaper using the appropriate tools; in effect, create a little

(Continued on page 26)

Chicago firm backs Cub father/kid game

CHICAGO — Who's 10 times cuter than Pete Rose ever thought about being, debuted as a rookie in the same field where Rose tied Ty's hitting record, and can wrap a certain Chicago Cub around her little finger?

Her name is Sheena Bowa, daughter of former Chicago Cub and now New York Met Larry Bowa, and she, along with the daughters and sons of other Cubs players, took on their fathers in an exhibition game on Aug. 4.

The kids must have checked with some of the other major league teams for tips because they beat their dads 16-3 in the game, sponsored by Joseph Lumber.

The first father/kid game was sponsored by Joseph last year, and according to Joseph's ad director Joe DeStefano, the company plans to make the game an annual event.

The game is played before one of the Cubs' home games, and during the game, Joseph is credited with being the sponsor of the father/kids game.

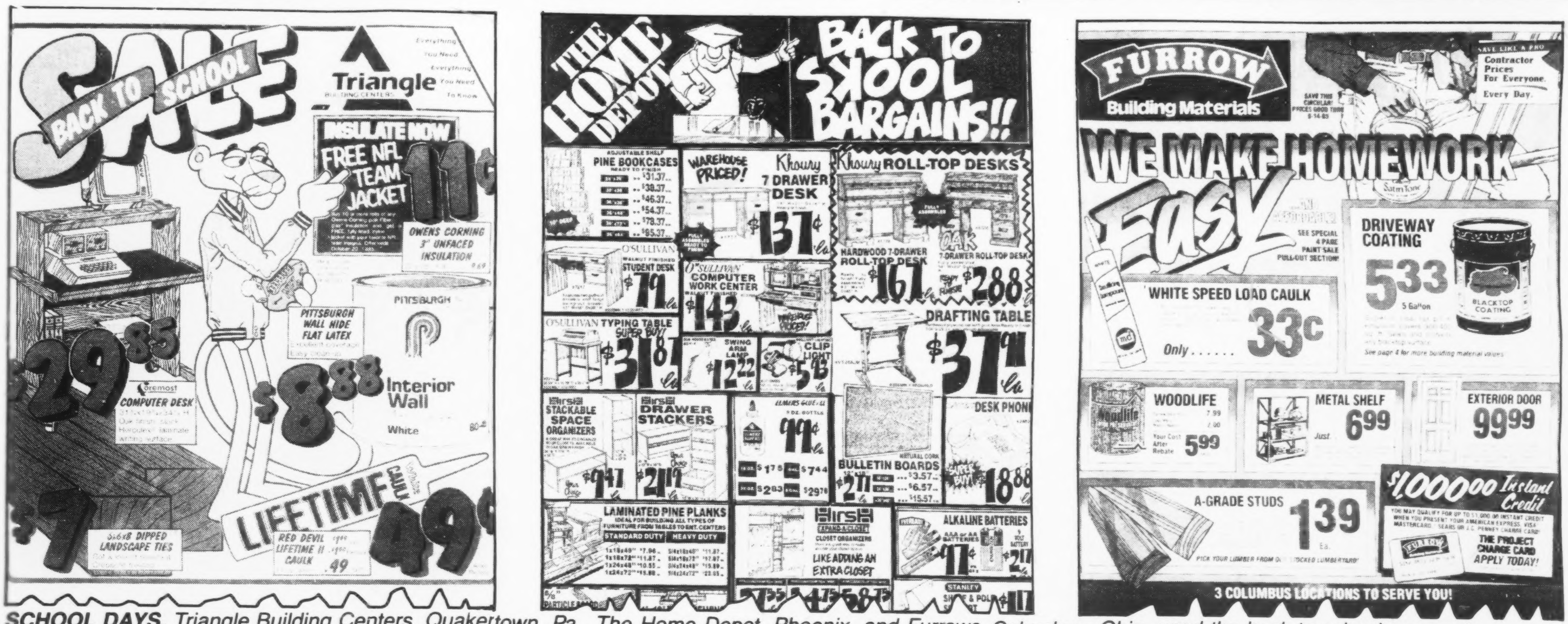
Sheena Bowa picks up some batting tips from her father, former Cub Larry Bowa, during a father/kid game sponsored by Joseph Lumber. The kids beat the fathers 16 to 3, proving that the Cubs' pitching woes have reached all levels of competition.

According to DeStefano, the company decided to tie into baseball because it wanted to tie-in with something that was directly related to the Chicago area. "The Cubs are the neighborhood team, and we are the neighborhood dealer," said DeStefano.

To reinforce that relationship between the Cubs and Joseph Lumber, the store advertises in the Cubs' program and uses the Cubs' logo in its advertising.

Although DeStefano said the stores see no big jump in sales after the game, customers mention it when they come in to shop.

AD ANGLES



SCHOOL DAYS. *Triangle Building Centers, Quakertown, Pa., The Home Depot, Phoenix, and Furrows, Columbus, Ohio, used the back-to-school season to promote sales on items such as pine book cases, computer desks, desk phones and metal shelves.*

TV ad spending leaps 43% in 1st half of '85

(Continued from page 21)

with almost $4 million invested in TV campaigns between its Payless, Furrows, Lumberjack and Somerville Lumber stores. It increased total TV ad spending by 35% over the same period in 1984. Through the Furrows chain it spent heavily in the Houston market, where it encountered intense competition from both Builders Square and The Home Depot.

The Home Depot, based in Atlanta, continues to increase its TV ad budget as well with its stores' $2,259,700 expenditure, up 73% from the January to June period in 1984. The increase was, in part, due to buying TV time in Houston

Builders Square, based in San Antonio, is now in 11 markets and had a 100% increase in its TV ad spending in the first six months of 1985, rising to $1,119,000 as it entered the new and "semiexpensive" markets (according to executive vp Jud Walford), of Detroit and Cleveland.

Mr. HOW Warehouse, based in Margate, Fla., is a newcomer to the top 15 list of TV advertisers from last year. By the end of June, the company had run $976,000 worth of TV advertising in 1985, mainly in the Chicago, Nashville, Cincinnatti, Tampa and Virginia markets, where the chain has multiple units.

Lowe's, based in North Wilkesboro, N.C., follows a similar policy of advertising on TV only when it has a threshold number of stores in the market. As it pursued its expansion policy in 21 states, its TV ad spending rose 47% in the first half of 1985. It also began TV advertising earlier in the year than its normal routine, according to Ralph Buchan, director of advertising.

Another newcomer to the leading home center TV advertisers list this first half is Rickel Home Centers, based in South Plainfield, N.J.

"We spent almost a half million dollars on TV, testing the Philadelphia and New York markets," said Will Vachon, executive vp.

The TV ad spending figures are compiled by the Television Bureau of Advertising, from Broadcast Advertiser Reports (BAR), which monitor the top 75 markets on a 1- in 4-week basis. The figures do not include co-op ad dollars, which are credited to manufacturers.

This New Product Is Guaranteed To Take Off.

With the hot new line of Thermostrip [illegible] guns from Emhart™ you can pick up a lot more than old paint. You can pick up a lot of new customers. Because the Thermostrip™ brand features the most versatile heat guns made today.

For example, the Thermostrip™ 3200 has a unique temperature control dial with variable settings between 125°F and 1000°F, and two powerful fan speeds, giving it the highest degree of versatility of any heat gun made. The Thermostrip™ 2200, our economy gun, has one fixed temperature setting at 1000°F. And both models can be accessorized with our unique soldering nozzles and our flared glass protector nozzle. Usages range from demanding jobs like stripping paint and soldering to sensitive jobs like [illegible] and defrosting frozen pipes.

Most of all, you can use it to broaden your market. For more [illegible] contact your local Emhart Home Products Division Representative or call (215) 921-2791.

EMHART
We Keep America Together.

Introducing Thermostrip™ Heat Guns From Emhart.

MERCHANDISING

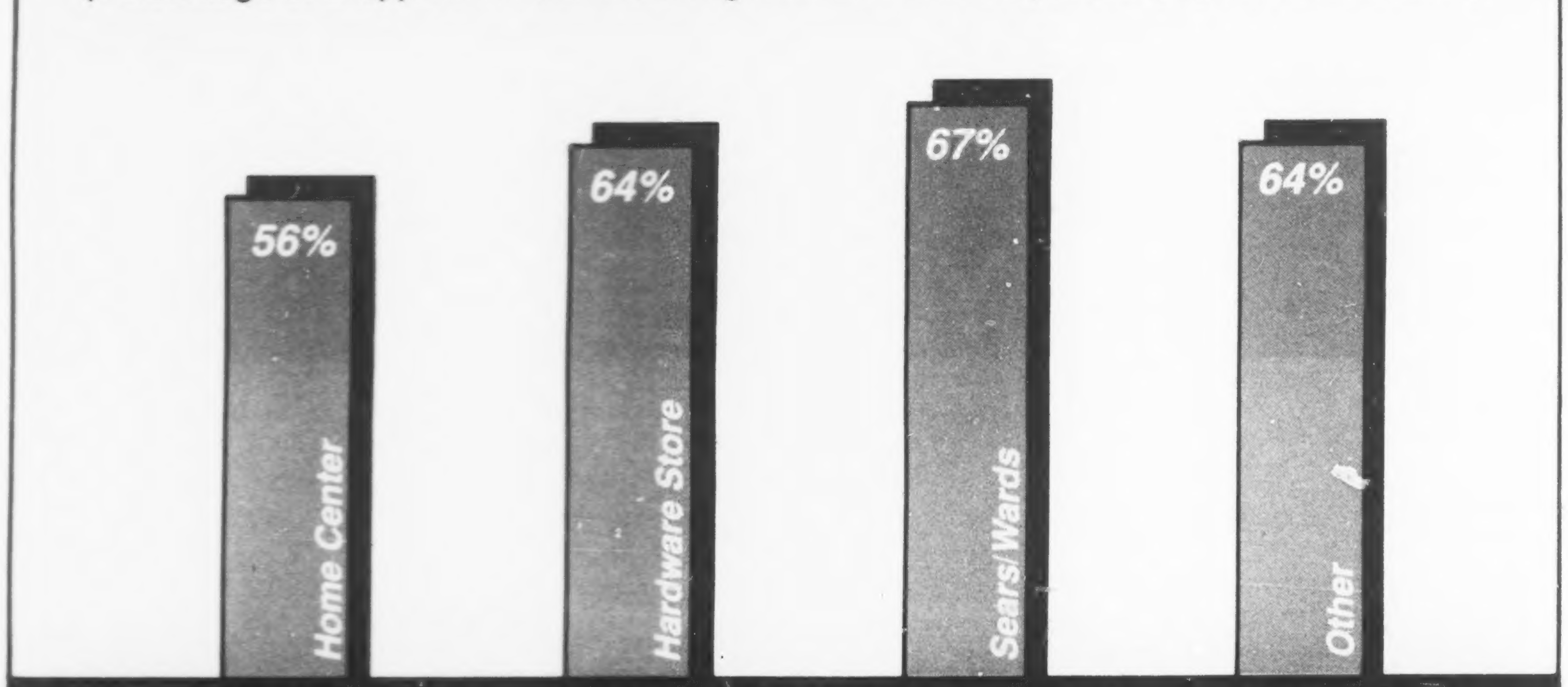
Special Report:

The 1985 *NHCN* Consumer Top Brands Study

Consumer buying habits shaped by name brands and value

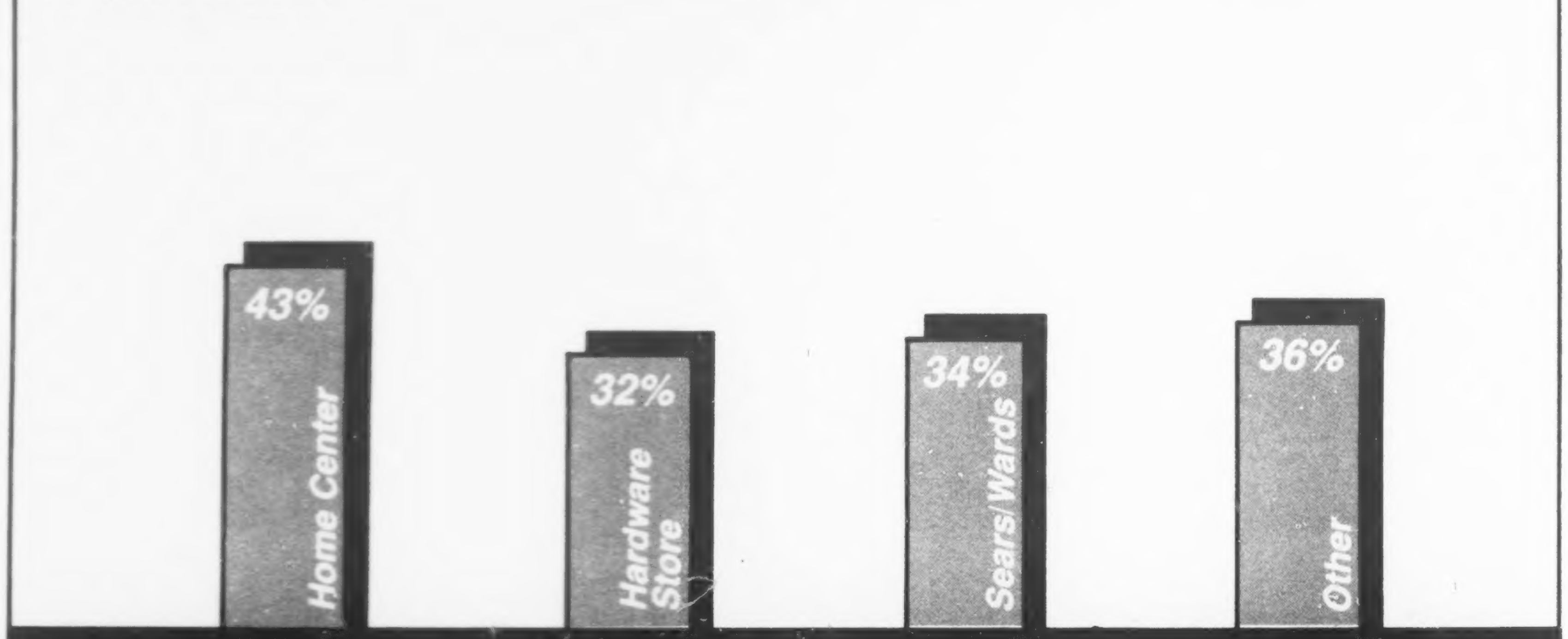
Consumers are willing to pay more for brands . . .

(Percentage of shoppers in each retail segment who said they would pay more for brands)



. . . but home center shoppers also seek value

(Percentage of shoppers in each retail segment who said value was as important as brand in buying decisions)



Consumers buy brand names for quality and durability

(Percentage of consumers who associate brand name products with given terms)

	Home Center	Hardware Store	Sears/Wards	Other
Quality	13%	17%	17%	22%
Durability	11	18	17	21
Guaranties	12	15	15	10
Reputation	9	11	9	12
Dependability	4	6	3	5
Service	4	5	1	4

Source: Leo J. Shapiro & Assoc.; *NHCN* Consumer Top Brands Study 1985

Consumers appear willing to spend more for brand name home improvement products, although less so among those who are attracted to home centers than either department stores, hardware stores or discount outlets.

In a new study of consumer buying patterns and brand awareness, the correlation between the market profile of a given product and the level of advertising and promotional support it receives from both supplier and dealer was again made clear.

However, the survey also showed that at least 4 out of every 10 consumers said they were "not so well informed" about brands, with an even higher percentage of home center and hardware store shoppers expressing some bafflement or lack of awareness about branded products.

Significantly, these same home center shoppers thought home centers did a better job of educating their customers about brands through in-store displays rather than costly media promotions.

In fact, nearly half of those respondents who thought home centers were the place to shop for brands indicated that some, if not all, of a home center's private label merchandise was as good as or better than nationally advertised products in terms of quality and/or value. On some items—such as hand tools and power tools—a store's name and reputation were of equal importance to a consumer's buying decisions as brand.

These findings are to be found in *NHCN*'s Top Brands Study 1985, conducted for the third consecutive year by Leo J. Shapiro & Assoc., a Chicago-based research firm.

The 424 participating consumers in this year's survey, all of whom spent $40 or more on home improvement products in the past 12 months, were drawn from a national sample, and their responses weighted so that data are projectable to the populations of all four geographic regions evaluated.

(For the purposes of brevity, the words "shopper" and "consumer" will be used to mean respondents in the study who identified a retail store as most likely to have a big brand selection. For instance "home center shopper" translates to that percentage of consumers polled in a category who named a home center as the likely shopping environment for branded items. The pattern follows for "hardware consumer," "Sears shopper" and so forth.)

For many consumers, brands signal a certain level of quality in a product, and "are really viewed as a kind of insurance policy when consumers are risking big dollars on a major project," said George Rosenbaum, a vice president with Leo J. Shapiro.

About 3 out of 5 consumers polled nationally indicated they were usually inclined to spend more for a brand they recognized, a ratio that jumps to two-thirds among those shoppers frequenting Sears/Wards, and to more than 60% among shoppers of hardware stores and "other" retail outlets such as discount and specialty stores.

The only respondent group under 60% were home center shoppers. In fact, more than two-fifths of these shoppers said they sought value when buying a product, regardless of brand name. Ironically, in *NHCN*'s 1984 Brands Survey, in which retailers, not consumers, were polled, dealers said they were increasing their reliance on brand name products, with about one-quarter claiming to be placing greater emphasis on brands, and close to 3 out of 5 adding a brand to at least one department in their stores (*NHCN*, Oct. 8, 1984).

The importance of brand and what brand implies to consumers varied only marginally from retail store to retail store in this year's survey. For example, home center shoppers purchased brands for quality, durability and product warranty, not much different from the reasons consumers of other retail stores chose branded items.

As expected Sears' lifetime guarantee on certain hard lines was identified by 1 in 7 of its shoppers as a reason why they buy certain brands in its stores, and more than 10% of shoppers patronizing hardware and "other" retail stores (e.g., discounters) identified brand with the reputation of a supplier.

About half of all consumers who would pay more for brands are home center shoppers. However, a sizable percentage of home center customers—more than 2 of 5 in the survey—are more interested in a product's "value," as manifested in either price, quality or need, than in brand.

Here is where home center shoppers' brand awareness and buying inclinations differ markedly from other consumers', although it appears that at least one-quarter of all consumers polled, regardless of their retail preference, find brand has no meaning for them.

One of seven shoppers who tend to shop at "other" stores said price, not brand, led them to buy a product. About 10% of hardware store patrons thought the "sameness" of certain products made brands irrelevant.

And an astonishingly high number of all consumers—more than 3 out of 5 nationally, and as high as 7 out of 10 among hardware stores, Sears/Wards and "other" shoppers—could give no reason why they chose "value" over "brand," except that they just do.

There is no question that consumers who shop all forms of retail outlets for home improvement products are more familiar with the brands they see most often in newspaper ads or television commercials.

However, this year's study reveals that consumers, by and large, have a pretty difficult time naming a hardware brand beyond Black & Decker, Sears' "Craftsman" and Stanley on their own, and are virtually at sea when asked to come up spontaneously with the brand name of a building product.

This appears to be true particularly among home center shoppers, who indicated they were less informed about brands in general than shoppers in any of the other retail groups listed in the survey.

And nearly half of all home center shoppers said they learned more about brands through a retailer's in-store signage and displays than through media advertising (see stories).

Significantly, when all consumers in the survey were asked to identify any brand of building product they could think of, the "brands" they evoked included Grossman's, 84 Lumber, Boise Cascade (apparently as a manufacturer and retailer), Lowe's, Sears, Wickes and Furrow, Payless Cashways' name in certain markets.

While only a miniscule percentage of consumers identified any dealers as brands, that they mentioned them *at all* shows how reliability of a store where products are bought can be as important to consumers as the brands these dealers sell.

However, past studies published in *NHCN* have shown that retailers have eschewed marketing commodities under their stores' names, for the most part, because they have found that once a consumer gets into his store of choice, he generally looks to buy national brands with which he is familiar (or made familiar by in-store displays), regardless of his unaided awareness.

It should be noted, too, that the survey showed home center shoppers to be a bit less sensitive to brand marketing than other consumers. In fact, half of those customers who shop in home centers said they thought a store's private label merchandise was as good as, if not better than, nationally branded products.

This finding would account for Sears' high unaided and aided response rate in virtually every product category in this year's Brands Study. But it also shows that home centers could be doing more to cultivate a stronger merchandising reputation in their stores among consumers, a considerable portion of whom are looking for more than what they see advertised on TV.

Buyers equate private/national brand quality

A high percentage of consumers say they want to buy brand name products in whatever retail store they shop. But there also appears to be a strong awareness among consumers about a store's private label merchandise and the quality of those products vis-a-vis national brands.

Half of the respondents polled in this year's *NHCN*'s Brands Study were aware that the stores they identified as having a strong brand presence in the market also carried private label goods. This awareness quotient increases to more than 8 out of 10 consumers who frequent Sears/Wards.

> *What is remarkable in the study's findings was the high regard consumers in general and home center shoppers in particular held for a store's private label products.*

Private label brand awareness falls off, though, among those respondents in the survey who shop in hardware stores and home centers. In the case of home centers specifically, fewer than 4 in 10 shoppers thought these stores stocked private label items. This finding, though, is not that surprising, given the amount of promotion in the media and through in-store marketing these stores do for national brands.

What is remarkable in the study's findings was the high regard consumers in general and home center shoppers in particular held for a store's private label products.

Among all respondents, only around 1 in 7 thought that a store's private label brands were inferior to national brands. Less than 1 Sears/Wards shopper in 10 considered these stores' private label products beneath national brands. And even among home center shoppers, who are used to selecting from a raft of nationally advertised products, fewer than 1 in 5 considered a store's private label to be under a national brand.

Conversely, almost half of those home center shoppers said that some, if not all, of a home center's private label products were as good as or better than a nationally advertised product. This percentage even exceeded the 45% of those Sears/Wards shoppers who saw some of these retail stores' brands as being equal to national branded products.

However, Sears/Wards shoppers expressed far more confidence in the overall selection of private label brands in the stores they frequent than consumers in any of the survey's other retail segments. More than 4 out of 10 Sears/Wards shoppers thought that *most* private label products sold in these stores were as good as or better than national brands.

That response rate was considerably higher than the 28% of all consumers polled who felt most of the store-branded products were better than national brands, and the 22% of home center shoppers who said most of a home center's private label goods were above national brands.

One in three hardware store shoppers felt these stores' proprietary brands were equal to or better than nationally advertised merchandise.

When asked to identify which of a store's private label brands would be as good as or better than a national brand, consumers in this year's study identified, in order of response percentage, paint, hand tools and hardware/nails/screws. More than 1 out of 5 respondents named paint; 16% said hand tools.

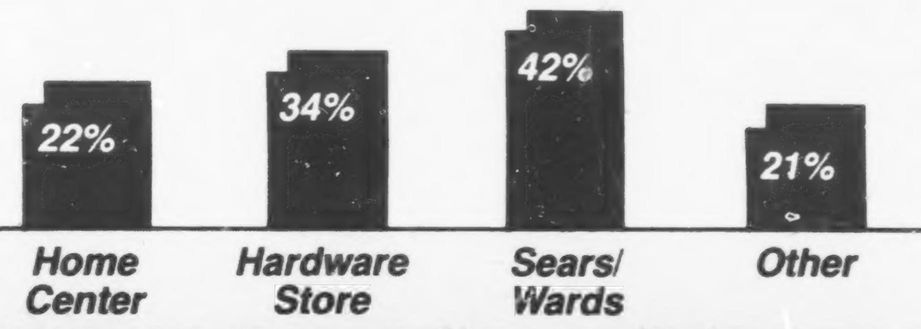
These products fell in the same order for home center shoppers with about the same percentage as the total consumer response naming paint as a strong private label brand.

A remarkable high 32% of those shoppers of "other" retail units such as discount stores and specialty houses also said paint.

One in three of Sears/Wards consumers thought hand tools were these stores' dominant private label product, followed by paint and power tools/chain saws. (Hardware store shoppers identified these three product categories as strong private label products for their retail group in the same order.)

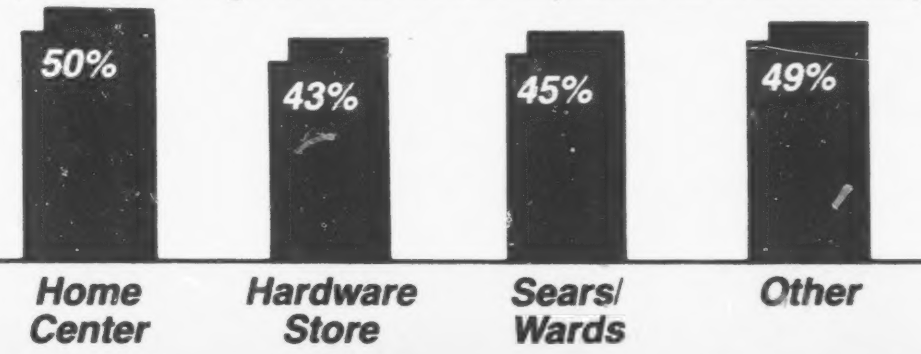
Two out of 5 Sears shoppers said most of its private label brands were as good as national brands . . .

(Percentage of respondents who said that most of the private label products in a given retail sector equaled national brands)



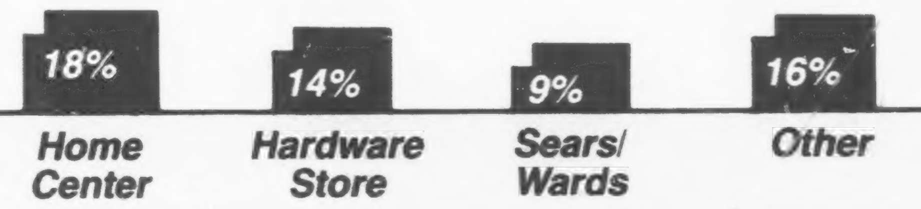
. . . And half of all home center shoppers thought that some of a home center's private label merchandise was equal to or better than national brands . . .

(Percentage of respondents who said that some of the private label products in a given retail sector equaled national brands)



. . . While fewer than 1 in 5 home center customers felt that private label products sold in a home center were inferior to nationally branded items.

(Percentage of respondents who said that few of the private label products in a given retail sector equaled national brands)



Source: Leo J. Shapiro & Assoc.; *NHCN* Consumer Top Brands Study 1985

Light bulbs shine in spontaneous brand recognition

Consumers appear to draw a blank when asked in general to name a brand of "hardware" or "building materials." However, as is evident in a recent national survey, they have a much easier time coming up with a brand name when asked to identify one within a specific product category.

In fact, brands such as General Electric, Black & Decker, Armstrong, Andersen and Owens-Corning registered relatively strong brand awareness among consumers.

But, consumers were strongly acquainted in only a handful of the 24 product categories evaluated in this year's *NHCN* Brands Study. They may know the names of three or four power tool products, for example, but are unable to divine a single lighting fixture brand.

These findings were part of a study conducted this summer for *NHCN* by Leo J. Shapiro & Assoc., a Chicago research firm, in which the brand awareness of 424 consumers who spent at least $40 on home improvement products last year was measured. Their responses are nationally projectable to all U.S. households with the same DIY expenditure level.

When all 24 product categories are assessed aggregately, only around 1 in 10 consumers typically could name a brand spontaneously. However, "pocket" categories—such as power tools, hand tools, lawn mowers, light bulbs and paint—received high brand awareness levels. And, in certain other categories, one brand name emerged as the awareness leader.

Without promoting, 8 out of 10 consumers could identify General Electric as a light bulb brand when asked to name a brand in that category. And when asked to specify a power tool brand, 6 of 10 said Black & Decker, while more than 4 respondents of 10 named Sears/Craftsman.

Significantly, the "Craftsman" brand showed up in a number of categories, such as paint, lawn mowers, water heaters and hand tools, which testifies to the strong brand and store presence Sears has been able to develop.

Similarly, Armstrong was a brand known by close to 40% of all consumers as a floor covering; and one-third of the study's respondents could name Andersen as a window brand and Owens-Corning as a brand of insulation without being told the name.

It should be noted, though, that the study also showed a number of product categories—lighting fixtures, doors, plumbing fixtures, kitchen cabinets—in which brand awareness, at least on an unaided basis, is virtually nonexistent among the majority of consumers polled.

The franchise in their brand names that certain suppliers have attained appears to be prescribed to those products with which DIYers have the most familiarity in using. Conversely, on building materials (with the exception of O-C's brand), consumers do not appear to pay much attention to brand. It is with products like these that awareness that a store carries the merchandise figures more prominently in a consumer's buying decision than brand.

Spontaneous Consumer Brand Awareness

The TOP 20
in home improvement products

Brand	Product Category	Households* naming brand unaided
1 General Electric	Light Bulbs	80%
2 Black & Decker	Power Tools	64
3 Sears/Craftsman	Hand Tools	41
4 Armstrong	Floor Covering	38
5 Sears/Craftsman	Power Tools	36
6 Andersen	Windows	34
— Owens-Corning	Insulation	34
— Stanley	Hand Tools	34
9 Sherwin Williams	Paint	24
10 Sears/Craftsman	Lawn Mowers	23
11 Genie	Garage Door Openers	22
— Westinghouse	Light Bulbs	22
13 Glidden	Paint	21
14 Delta	Faucets	20
— Lawnboy	Lawn Mowers	20
— Sylvania	Light Bulbs	20
17 Sears/Craftsman	Water Heaters	19
18 Sears/Craftsman	Paint	17
— Toro	Lawn Mowers	17
20 McCulloch	Chain Saws	16

*Households having spent at least $40 on home improvement products in past year. Consumers were asked for specific product categories, "Which brand comes to mind when you think of . . . [e.g., hand tools]?"

Source: Leo J. Shapiro & Associates for *NHCN*; 1985

Survey queried views of 424 DIY consumers

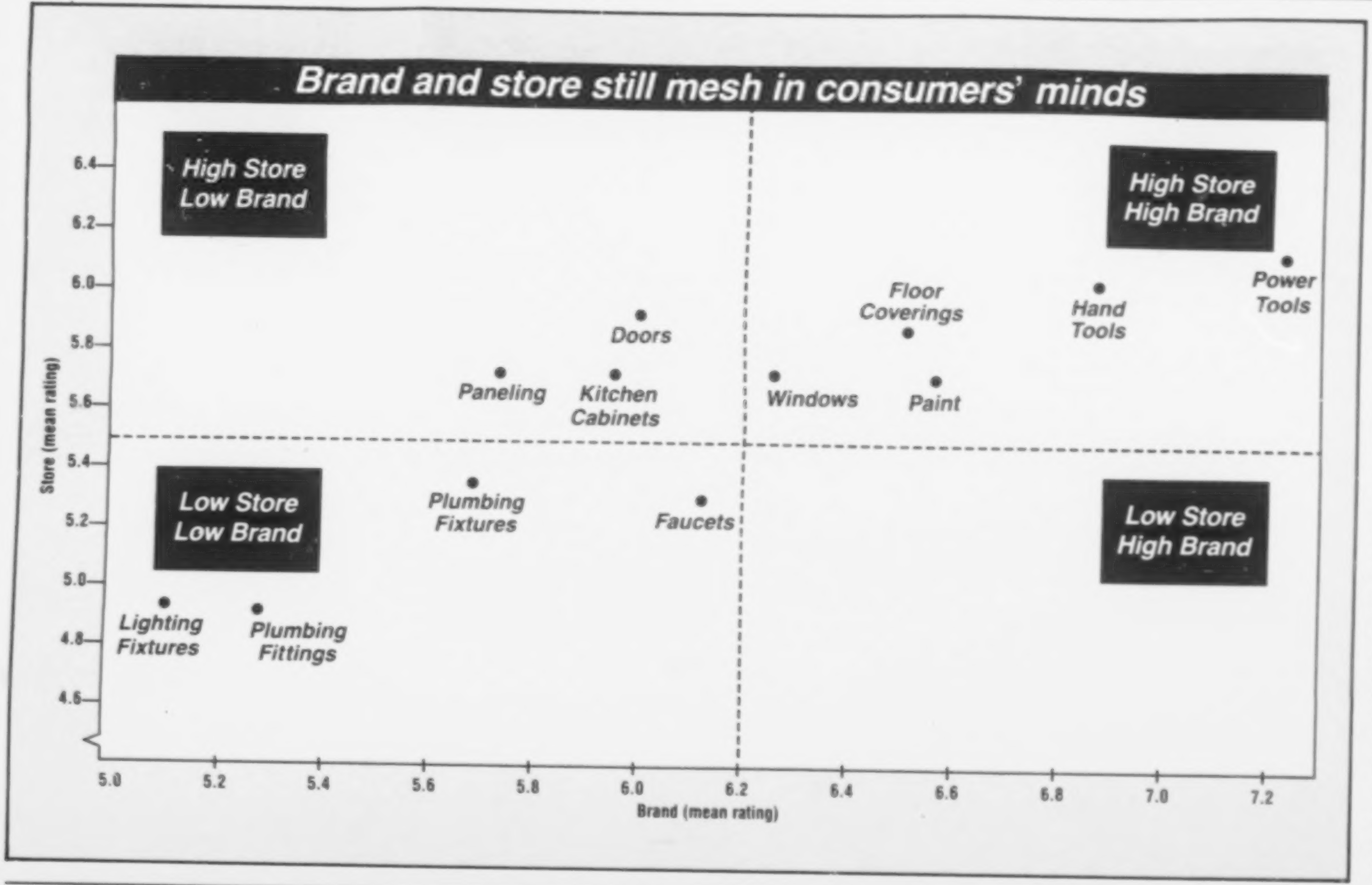
The *National Home Center News'* 1985 Top Brands Study is an examination of consumer brand awareness for a variety of home improvement products. It also gauges to what degree consumers associate a particular brand with the store in which it is sold, as well as how effectively brand promotion by dealers and suppliers is working.

The study was conducted for *NHCN* this August by Leo J. Shapiro & Assoc., a Chicago research firm. Its results are nationally projectable to all U.S. households that spent $40 or more for a home improvement product over the previous 12 months.

Four hundred and twenty-four consumers fitting this criterion participated in this year's survey. Their demographic profile included close to 80% owning their own place of residence; about half were male, and 84% white; the mean household income of a typical respondent was $29,300; and the median age of those polled was 36.6 years.

The study essentially is divided into two sections. In the first, all participating respondents were asked to identify

(Continued on page 32)



Consumers find brand and store important in buying decision

The chart to the left breaks down consumer brand awareness, as recorded in this year's brands study, into four quadrants that group together the level of brand importance in a consumer's buying decision with the importance of where the product is purchased. The chart, whose mean ratings go from a low of one to a high of nine, shows that:

- High brand/high store—In five of the 12 products evaluated, consumers placed a premium on the brand they bought and where it is acquired. These products allow dealers to cultivate a high-powered image for their stores in conjunction with their merchandise.
- High store/low brand—Three product categories were identified by consumers in the study as bearing brand names of considerably less consequence to a shopper's buying choice than where the merchandise is sold. That the three categories are building products illustrates a finding in the survey of low consumer brand awareness for all but a few commodities.
- Low store/low brand—These four categories—heavily promoted by virtually all home improvement dealers—also carry brand names of lesser importance to consumers. However, respondents in the study also indicated that where they buy these products doesn't matter much, either. These are generally products that are high-traffic items in stores, sold with little sales help.
- Low store/high brand—That none of the product categories fell into this quadrant demonstrates that a high profile brand name, no matter how often it is promoted, is not enough to carry the sale in a store whose reputation registers low with consumers.

Survey queried 424 consumers

(Continued from page 31)

which home improvement store—a home center, a hardware store, Sears/Wards, or "other" including discounters and specialty stores—they thought of as likely to have a big brand selection.

Those polled were then asked to name a brand in each of 24 product categories these stores were likely to stock. Here, consumers were given no hints of brand names, but allowed to respond spontaneously about their brand awareness in each of the categories.

Their answers are broken down geographically (North, South, East, West); by three ranges of how much each consumer spent for a home improvement project over the past year; and by whether these consumers were planning a DIY project, or had conducted one over the past 12 months.

In the second part of the study, a respondent subgroup—which, in most cases, equalled 218 consumers—was given the names of selected brands in 12 product categories (of which 10 are reprinted here), to test how well consumers responded to brand names once they heard them.

The survey also evaluates the importance of advertising, both media and in-store, on consumer brand awareness for each of the retail store segments. And awareness of a store's private label brands.

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Kent, Washington 98031
(800) 421-1027

***NHCN*'s 1985 Top Brands Study**

In-store signage rates high as informative tool

Consumers usually say they learn more about brands from advertising than from in-store information . . . | *. . . except when it comes to home centers*

(Percentage of consumers describing where their awareness of brands from stores derives)

	Hardware Store	Sears/Wards	Other	Home Centers
Advertising	51%	57%	43%	41%
Signs/In-Store Information	35	34	31	46
Both	4	9	8	5

Source: Leo J. Shapiro & Assoc.; *NHCN* Consumer Top Brands Study 1985

HOW WAREHOUSE
GRAND OPENING!
9
8
CHECKOUT

At least three quarters of all consumers polled in a recent national survey thought the store they shopped for home improvement products was "doing enough" to inform them about the brands the store carried.

But, while close to 60% of those polled described themselves as being well informed about their stores' brands, more than 4 out of every 10 consumers indicated that they were "not so well informed," a sentiment that appears to be even more prevalent among shoppers of home centers and hardware stores.

These findings are derived from a survey of consumer brand awareness conducted for *NHCN* by Leo J. Shapiro & Assoc. based in Chicago. The results are nationally projectable to all U.S. households having spent more than $40 on home improvement products last year.

The study found that Sears/Wards shoppers felt most knowledgeable about the brand name products these stores sell, as 70% responded they were "well informed" about brands through the stores' promotions.

On the other hand, only slightly more than half of home center and hardware shoppers said they were adequately informed about brands.

These two shopper contingents were also more prone to say they were "not so well informed" about brands than either the survey's consumers as a whole, or Sears/Wards customers, less than one-third of the latter group noted that they were not well enough informed about brands.

Oddly enough, more than 75% of all consumers thought their stores were doing enough to promote the brands they sell, with more than 8 out of 10 hardware shoppers expressing satisfaction with their store's brand advertising.

Only about 1 in 5 consumers as a whole and, specifically, those patronizing home centers and Sears/Wards felt their stores should be doing a better job to let them know about brands. This ratio escalates to more than 1 in 3 among those shoppers of "other" retailers, such as discount and specialty stores.

When asked how dealers should improve brand awareness, about one-quarter of the survey's respondents, and an equal fraction of home center and hardware consumers, suggested the greater use of sales flyers and newspaper supplements.

While the increased exposure to flyers and supplements was important to the other shoppers in the survey, Sears/Wards shoppers placed greater emphasis on newspaper ads as a way dealers could promote brand awareness. And a remarkably high 4 out of 10 consumers who frequent "other" stores simply thought discounters and specialty shops needed to advertise more in general.

One in five hardware shoppers said these stores should be promoting their brands more on television.

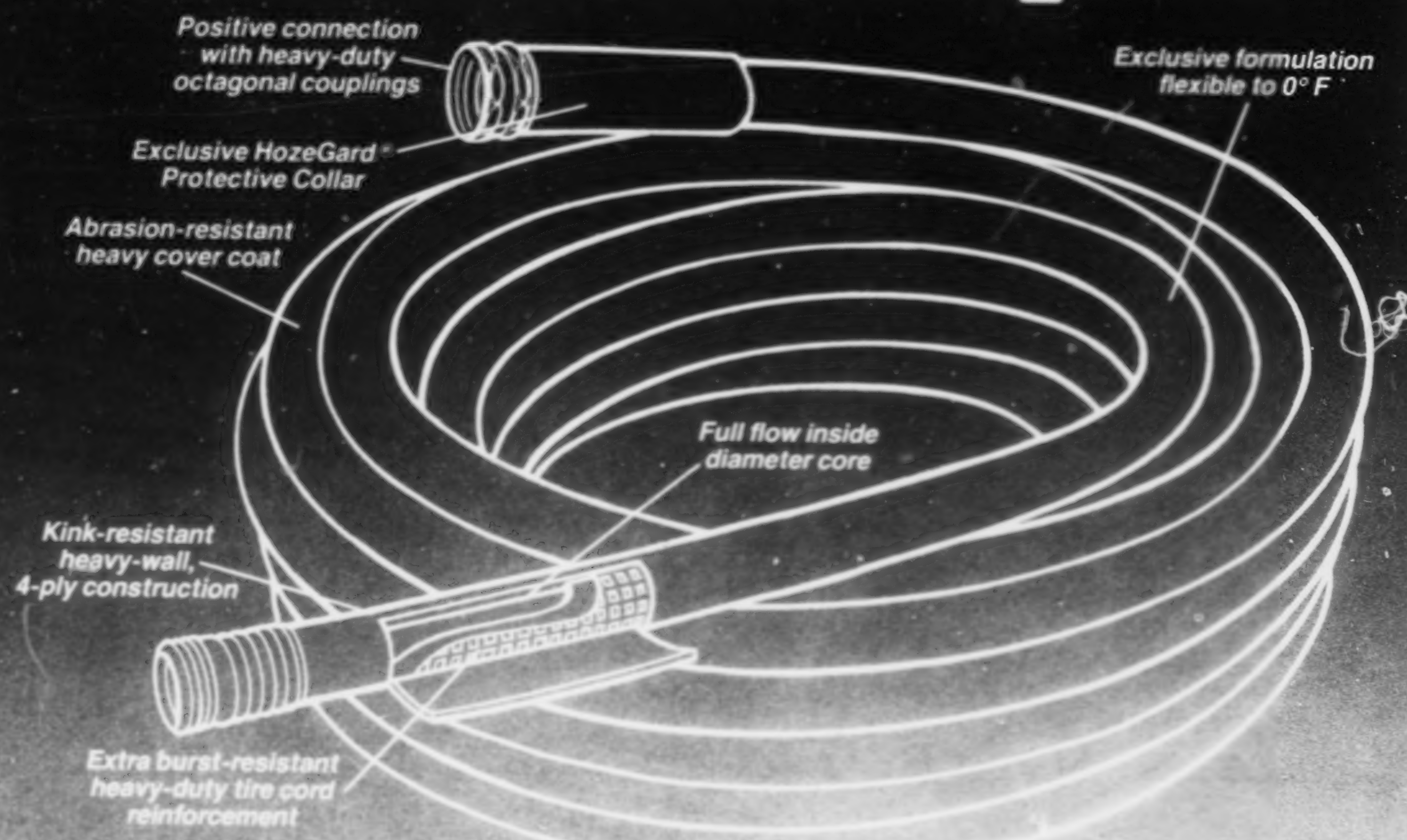
While their response rate was relatively low, a significant number of home center shoppers also noted that these stores needed to improve their in-store sales help, show a list of brands they carry more prominently, and increase the number of displays they use to promote brands.

Their responses were consistent with the overall sentiment expressed by more than 45% of home center shoppers that they got more of their brand information from a home center's in-store signage and POS literature than they did through its national advertising.

In fact, where at least half of all hardware shoppers polled in the survey, and close to 3 in 5 Sears/Wards shoppers, claim to derive their knowledge of brands primarily through these stores' media promotions, there appears to be more reliance on merchandising presentation among home center shoppers.

These findings could mean that home centers need to do a better job in exposing those brand name products they carry in their stores. In addition, home center dealers may also need to rethink the way they are getting their brand message out to consumers before shoppers enter the store.

No other hose can meet these specs:


Positive connection with heavy-duty octagonal couplings
Exclusive formulation flexible to 0° F
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Abrasion-resistant heavy cover coat
Full flow inside diameter core
Kink-resistant heavy-wall, 4-ply construction
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Want outstanding sales action? Then you want hose that starts with outstanding specifications!

First, Colorite creates quality hose by designing-in the most successful, consumer-proven characteristics and features. These come from over 35 years of experience.

Next, we make the specs come alive! We use only quality raw materials…production is constantly controlled and inspected…coils are wound for eye-appeal…and packaging is attention-compelling!

From our high-capacity East and West Coast plants come the fast-turnover lines of super-deluxe, non-toxic, rubber and promotional hose. All the styles to fit your selling strategies.

That's why Colorite is the world's largest manufacturer devoted exclusively to garden hose. We got there by design.

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High-power ad campaigns pay off in unaided survey

High powered ad campaigns and strong promotional support from retailers have apparently paid off for manufacturers of such products as hand and power tools, light bulbs, paint and lawn mowers, for which consumer brand awareness, as registered in a recent national poll, was exceptionally high.

Four hundred and twenty-four consumers were asked if they could name a brand name, without being prompted, in 24 product categories. At least 8 out of 10 respondents could identify a brand in each of the above mentioned seven product groups, as strong an indication as any that the brand message being sent out by dealers and suppliers was seeping into a customer's consciousness.

Even for such items as chain saws and floor covering, 3 of 5 consumers polled felt confident enough to name a brand spontaneously.

The survey—conducted for *NHCN* by the Chicago research firm Leo J. Shapiro, and nationally projectable to all U.S. households that spent $40 or more on DIY products last year—also revealed that beyond these often-mentioned brand names in specific categories, consumer brand awareness begins to falter, even on such high profile merchandise as stain, faucets, insulation and ceiling fans.

Consumers at times manifested almost total confusion about who makes what brands (several times throughout the survey, consumers named a brand that is not in the product category). In other instances, brand recognition did not seem to be that important for consumers, especially on such items as siding, kitchen cabinets, plumbing fittings and doors. In these product groups, only around 1 in 5 consumers would hazard to name a brand, with doors getting only an 18% response rate.

The following breakdown by product category of unaided responses to brand awareness draws an interesting protrait of how well respective manufacturers' advertising is working on consumers. The study also reveals the extent to which consumers actually pay attention to brands, particularly those brands of building materials that generally showed up lower than hardware items.

The listing evaluates consumer brand names from the highest response rate (power tools) to the lowest (doors):

- **POWER TOOLS:** More than 9 of 10 respondents could name a power tool brand, and in excess of 3 out of 5 identified Black & Decker. One-third could name Sears/Craftsman, while another 12% said Skil. B&D‘s response rate grew among consumers in the South and those planning a DIY project; Sears' recognition factor increased with Northern consumers and those having spent $3,000 on a DIY project.

Remarkable in this category was the low response rate for Makita, and consumers' mistakenly thinking Stanley, the hand tool maker, produced power tools (although this is a testament to Stanley's overall brand awareness level).

- **LIGHT BULBS:** While 91% of the consumers polled could name a light bulb brand, only three brands—General Electric, Westinghouse and Sylvania—got higher than a 20% response rate. GE was identified as a brand by close to 8 out of 10 consumers, the other 2 by 2 out of 10, with Westinghouse drawing higher brand awareness among Eastern consumers.

With less than 1% unaided response as a light bulb "brand" were Sears/Craftsman, K mart and Ace Hardware.

- **PAINT:** This was the only other category to get 9 out of 10 consumers being able to name a brand, and the most-often named—Sherwin-Williams—could muster a nod from only 1 in 4 respondents. This brand was identified by one-third of southern consumers. Glidden was recognized as a brand by one-quarter of those respondents in the South, while Sears had higher recognition among Eastern consumers and those having done a project over the past 12 months than among consumers who identified Sears as a brand as a whole.

Consumers still group Lucite (owned by Clorox) with Du Pont, and separate "Martin"

(Continued on page 40)

Consumer Brand Awareness —Unaided

(% of U.S. Households able to name a brand without prompting)*

'Which brand comes to mind for . . .?'

POWER TOOLS	
92% Net	
Black & Decker	64%
Sears/Craftsman/Kenmore	36
Skil	13
Stanley	5
Milwaukee Tool	3
Makita	3
Hitachi	1
Rockwell	1
Ace	1
Ryobi	*

*Under 1%

LIGHT BULBS	
91% Net	
General Electric	80%
Westinghouse	22
Sylvania	20
Other	5

FAUCETS	
59% Net	
Delta	20%
Peerless	11
Kohler	7
American Standard	6
Moen	6
Price-Pfister	4
Sears/Craftsman/Kenmore	3
Eljer	2
Sterling	*

*Under 1%

LOCKSETS	
55% Net	
Master	15%
Kwikset	14
Yale	10
Schlage	7
Stanley	3
Dexter	2
Sears/Craftsman/Kenmore	2
American	2
Weiser	1
Deadbolt	1
Weslock	1
Best	1

*Households having spent at least $40 on home improvement products in the past year.

Source: Leo J. Shapiro & Associates for *NHCN*; 1985

OPPORTUNITY

YOUR CUSTOMERS CAN SAVE $5.

For our 1986 Spring Promotion, Schlage introduces a new package with two matching keyed entry locks. In a choice of three of our most popular styles. For a special $5 off price.

Besides saving them money, this gives your customers the opportunity to secure two doors. Instead of just one.

And every Schlage lock now features our new Universal Deadlatch, which fits both 2⅜" and 2¾" backsets. This makes it possible for a Schlage lock to fit any door.

We'll support the Spring Promotion with a complete merchandising program, including eye-catching displays. Our magazine advertising will also catch your customers' eye. Look for our ads in the March and April issues of *Popular Mechanics, Sunset, Southern Living, Family Handyman, Homeowner* and *New Shelter*. Then look for more customers to start knocking at your door.

NHCN's 1985 Top Brands Study

PAINT

90% Net

Sherwin Williams	24%
Glidden	21
Sears/Craftsman/Kenmore	17
Lucite/DuPont	12
Dutch Boy	11
Pittsburgh (PPG)	8
Benjamin Moore	5
Porter	3
Martin	2
Olympic	2
Standard Brands	1
True Value	1
Cooks	1
Pratt & Lampert	1

LAWN MOWERS

85% Net

Sears/Craftsman/Kenmore	23%
Lawnboy	20
Toro	17
Snapper	10
Briggs & Stratton	7
John Deere	6
Black & Decker	5
Honda	4
Murray	3
Jacobsen	2
Montgomery Ward/Signature	2
Bolens	1
Yazoo	1

HAND TOOLS

82% Net

Sears/Craftsman/Kenmore	41%
Stanley	34
Black & Decker	14
Snap-on	5
True Value	1
Ace	1
Disston	1
Plumb	1
S & K	1
Skil	1
True Temper	1
Estwing	*
Great Neck	*
Cooper	*

*Under 1%

CHAIN SAWS

61% Net

McCulloch	16%
Black & Decker	13
Stihl	9
Sears/Craftsman/Kenmore	9
Homelite	9
Beaird Poulan	8
Skil	5
Remington	1
Echo	1
Wen	*

*Under 1%

FLOOR COVERINGS

61% Net

Armstrong	38%
Congoleum	11
Sears/Craftsman	3
Color Tile	2
Mannington	2
Burlington	1
Tarkett	1
Amtico	*

*Under 1%

GARAGE DOOR OPENERS

53% Net

Genie	22%
Sears/Craftsman/Kenmore	20
Stanley	13
Overhead Door	1
Chamberlain	1
Montgomery Ward/Signature	1
General Electric	1

WATER HEATERS

51% Net

Sears/Craftsman/Kenmore	19%
General Electric	7
A. O. Smith	6
State	2
Westinghouse	2
American Standard	1
Hotpoint	1
Montgomery Ward/Signature	1
Mor-Flo	1
Rudd	1
Whirlpool	1

STAIN

51% Net

Olympic	11%
Formby	6
Glidden	5
Minwax	4
Sherwin Williams	4
Sears/Craftsman/Kenmore	3
Pittsburgh	2
DuPont	2
Cabots	2
Colony	2
Carver Tripp	1
Dutch Boy	1
Behr	1

WINDOWS

51% Net

Andersen	34%
Pella	5
Thermopane	2
Crestline	1
Marvin	1
Sears/Craftsman/Kenmore	*
Caradco	*
Keller	*

*Under 1%

INSULATION

47% Net

Owens-Corning/Pink Panther	34%
Manville	4
CertainTeed	1
Armstrong	1
Celotex	1
Sears/Craftsman/Kenmore	1
3M	1

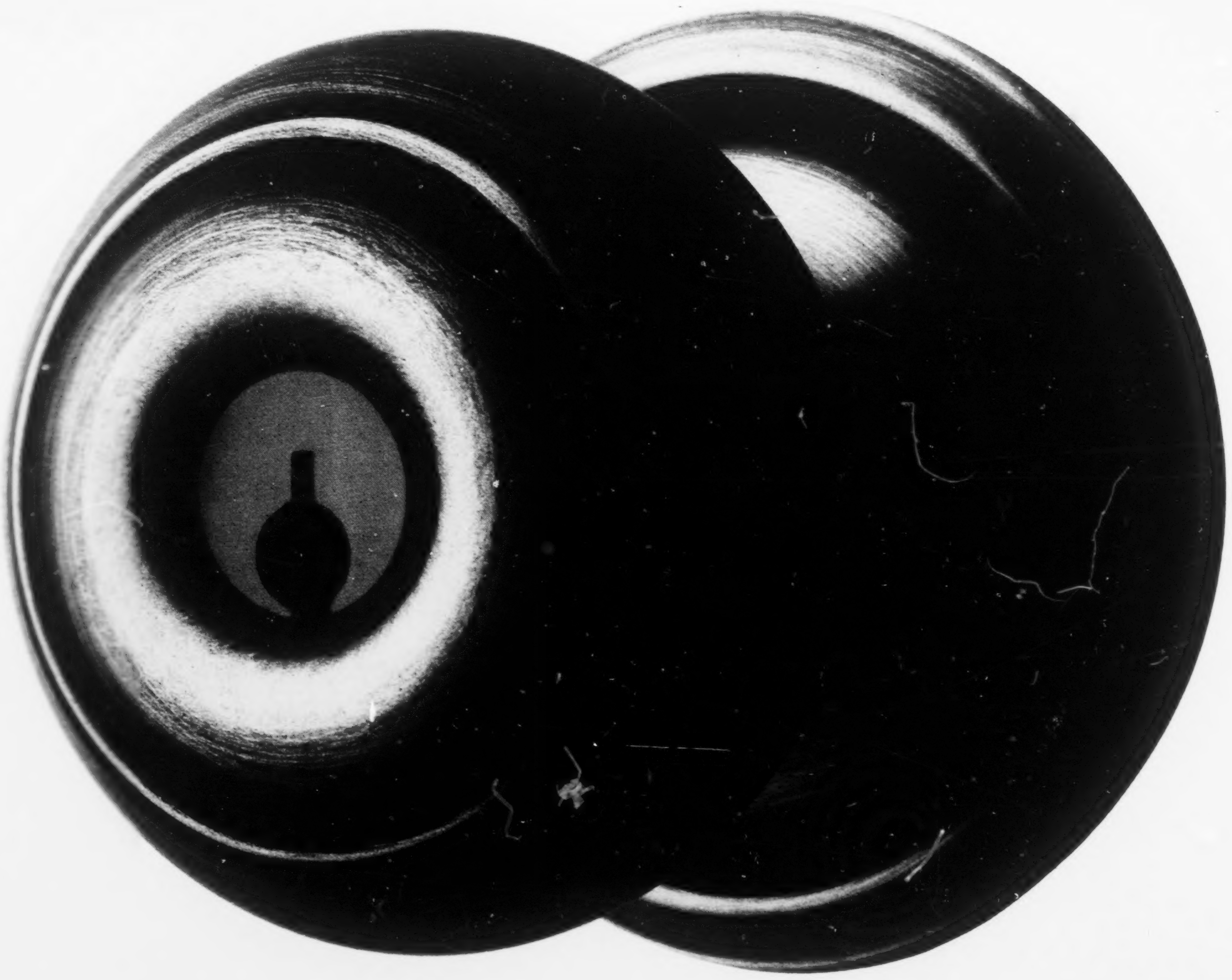
(Continued on page 40)

Unaided brand awareness: Certain categories dominate

Product Category	% consumers polled naming a brand without prompting*
Power Tools	92%
Light Bulbs	91
Paint	90
Lawn Mowers	85
Hand Tools	82
Chain Saws	61
Floor Coverings	61
Faucets	59
Locksets	55
Garage Door Openers	53
Water Heaters	51
Stain	51
Windows	51
Insulation	47
Garbage Disposals	39
Plumbing Fixtures	38
Window Furnishings	33
Caulking	30
Ceiling Fans	30
Lighting Fixtures	25
Paneling	23
Storm Doors	23
Siding	22
Kitchen Cabinets	21
Plumbing Fittings	20
Doors	18

*Households having spent at least $40 for home improvement purchases in the past year.

Source: Leo J. Shapiro & Assoc. for *NHCN*



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For over 60 years, Schlage has been manufacturing high quality locks at competitive prices.

Call your Distributor or Schlage Representative today. And find out how our Spring Promotion can open the door to opportunity. Twice.

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SAVE $5
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Read

NEW PRODUCTS

every issue in

National Home Center News

NHCN's 1985 Top Brands Study

GARBAGE DISPOSALS	39% Net
Sears/Craftsman/Kenmore	12%
General Electric	10
Insinkerator	6
Kitchen-Aid	4
Waste King	2
Whirlpool	2
Badger	1
I.S.E.	1
Maytag	1
Sinkmaster	1

PLUMBING FIXTURES	38% Net
Kohler	9%
American Standard	9
Delta	6
Crane	4
Eljer	3
Peerless	3
Sears/Craftsman/Kenmore	2
True Value	1
Artesian	1
Universal Rundle	1

WINDOW FURNISHINGS	33% Net
Kirsch	8%
Levelor	7
Sears/Craftsman/Kenmore	4
Andersen	4
Stanley	3
J. C. Penney	1

CEILING FANS	30% Net
Hunter	12%
Casablanca	8
General Electric	2
Sears/Craftsman/Kenmore	2
Emerson	1

LIGHTING FIXTURES	25% Net
General Electric	10%
Westinghouse	3
Sears/Craftsman/Kenmore	2
Progress	2
Sylvania	1
Delval	1
Diamond F	1
Thomas	1
Vigon	*

*Under 1%

PANELING	23% Net
Georgia-Pacific	8%
Weyerhaeuser	3
Masonite	2
Abitibi	2
U.S. Plywood	1
Sears/Craftsman/Kenmore	1
Ply-Gem	*

*Under 1%

STORM DOORS	23% Net
Sears/Craftsman/Kenmore	6%
Andersen	5
Stanley	1
Croft	*
Emco	*
Featherlight	*
Montgomery Ward/Signature	*
True Value	*

*Under 1%

SIDING	22% Net
Alcoa	10%
Reynolds	2
Sears/Craftsman/Kenmore	2
U.S. Steel	1
Masonite	1
CertainTeed	*
Georgia-Pacific	*
Weyerhaeuser	*

*Under 1%

KITCHEN CABINETS	21% Net
Sears/Craftsman/Kenmore	6%
Custom Made	1
Merillat	1
American Woodmark	*
Aristokraft	*
Diamond	*
Kitchen Kompact	*
Yorktowne	*

*Under 1%

DOORS	18% Net
Stanley	4%
Andersen	3
Peachtree	2
Sears/Craftsman/Kenmore	2
Everstraight	*
Kinkead	*
Pease	*
Simpson	*
True Value	*

*Under 1%

Promos, ads power buyers' unaided answers

(Continued from page 38)

(presumably Martin Senour) from Sherwin-Williams, its manufacturer. Surprisingly, none of Enterprise Cos.' brands—Enterprise, BPS or Magicolor—was named.

• **LAWN MOWERS:** Eight in ten respondents knew a lawn mower brand, and there were an unusually high number of brands identified in this category. One in five could name Sears/Craftsman, although an almost equal ratio identified LawnBoy and Toro. Lawnboy showed higher brand awareness in the South than anywhere else; Toro in the North.

As expected, consumers—particularly those in the South—continue to mix up Briggs & Stratton, the O.E.M. engine supplier, as a brand of lawn mowers.

• **HAND TOOLS:** A sizable collection of brands were named as hand tools names by an aggregate of more than 8 of 10 consumers, with Sears/Craftsman and Stanley the dominant brands with the highest awareness level. Sears was particularly strong in the South, where almost half of consumers could name it as a brand, and among respondents who spent $3,000 or more on a project last year. Stanley was best-known in the West, where brand awareness about hand tools in general ran to 9 out of 10.

Some prominent brands in the home improvement industry—such as S-K Tools, Disston, and the family of names under which Cooper Group markets its product—were mentioned by only a small percentage of consumers.

• **CHAIN SAWS:** 6 in 10 consumers knew a chain saw brand without promoting, although in the East, that drops to only around 50%, while in the South brand awareness increases to more than 1 in 3 respondents.

Consumers in general appeared to be acquainted with quite a few chain saw brand names, even such high-end fare as Stihl. McCulloch ranked first in the "unaided" responses, getting more than 16% of consum-

(Continued on page 45)

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VIGORO DEEP GREEN WEED & FEED
VIGORO DEEP GREEN FALL & WINTER FERTILIZER
VIGORO DEEP GREEN

You deserve a big promotion.

VIGORO®

Promos, ads power buyers unaided responses

(Continued from page 40)

ers identifying it as a brand, a brand, a recognition factor that was constant in all sectors of the country.

• **FLOOR COVERING:** This is the last category among those evaluated in which more than 6 of 10 respondents could name a brand. But, with the exception of Armstrong and Congoleum, brand awareness does not appear to be that strong in the category. Armstrong was known by almost half of the respondents in the South and close to 2 in 5 of those planning a project. Congoleum's 1 in 10 response rate was pretty consistent in all sectors nationwide and among all home expenditure groups.

The remainder of brands identified by the respondents surveyed garnered only a minimal unaided brand awareness, and several prominent names in the business such as Bruce and Top Tile did not show up at all.

• **FAUCETS:** This category is somewhat of a mystery: Close to 60% of all respondents could name a brand, but once one gets past Delta and Peerless, the response rate for other brands is far less than one might expect for such as heavily promoted category.

Delta's awareness improves in the East, while Peerless's increases in the North. Kohler is somewhat better known among consumers who spent $3,000 on DIY products last year than the respondent sample as a whole; and American-Standard was known by 1 in 10 consumers in the East.

• **LOCKSETS:** A slew of brands were named by consumers, although none appeared to be able to claim a dominant position in the market.

Brand awareness was spread out evenly among Master, Kwikset and Yale, although Master showed more strength in the West and among consumers who spent between $300 to $2,999 on DIY fare last year, while Kwikset was better known in the South and among consumers spending $3,000 on merchandise over the past 12 months.

Overall, 6 of 10 consumers in the West knew a lockset brand, the same fraction of those respondents having spent $300 to $2,999 last year and those planning a project over the next year.

•**GARAGE DOOR OPENERS:** In terms of unaided brand awareness, only half of all consumers queried could name a garage door brand, and only Genie, Sears/Craftsman and Stanley were named by any substantive number of respondents.

Genie was better known among consumers in the South and West, while Stanley gained higher brand marks from Northern consumers. This category appeared to be one in which consumers were not that sure of the brands they named in terms of accuracy (e.g., the identifying Montgomery Ward and G.E.).

• **WATER HEATERS:** Slightly more than 50% of all consumers knew a water heater brand, and the Sears' name was evoked by about 1 in 5 consumers. Oddly enough, Sears got its weakest brand awareness in this category among consumers who spent $3,000 or more for DIY products last year—only 13.7%.

A sizable and surprising number of water heater brands were named by consumers, although the response rates beyond G.E., Rheem and A. O. Smith were low, especially for Mor-Flo, the leading supplier in the home center industry, whose brand was identified without prompting by less than 1% of the survey's respondents.

• **STAIN:** Considering the high brand awareness in paint, stain does not appear to be generating the consumer response one might expect. While about half of all consumers could name a stain brand (closer to 60% in the East), only around 1 in 10 could think of Olympic, the dominant stain manufacturer in the home improvement industry.

And, that Formby's wood stain got a higher awareness level than Minwax, Glidden or Sears might lead one to conclude that consumers, while being able to readily name a stain, there may not be much brand allegiance to any one product, given the low response rates throughout this category.

• **WINDOWS:** Andersen Windows continues to be the brand consumers can name most frequently when asked about brand, although without prompting, only 1 in 3 respondents could name Andersen. The overall brand awareness in the category was a bit more than 50%, and closer to 60% among consumers in the East and North, and those having spent $3,000 or more on DIY products last year.

One can only infer that windows are still a low profile category in terms of brand awareness, as such "big name" manufacturers as Pella, Marvin and Crestline were recognized by very few consumers in the survey as brands. This does not change much on a regional basis.

• **INSULATION:** Less than half of all respondents could name a brand of insulation, and after Owens-Corning (which got a 34% response rate), brand name recognition was remarkably low for other suppliers' products.

Consumers in the East and those planning a project were more able to name a brand of insulation than others polled in the survey, and O-C also fared well in these subgroups. But with the exception of Manville's 7% unaided response in the South, consumer brand recognition for the category remains almost imperceptible.

• **GARBAGE DISPOSALS:** While the main brand names in this category were identified by at least a small portion of the survey's respondents, brand awareness of garbage disposals appears low, with only 2 in 5 consumers coming up with a brand unaided. There was not much disparity between the total responses for each brand named and their breakdown by region and home expenditure groups, although Insinkerator showed slightly more awareness among consumers who spent $300 to $2,999 on DIY products over the past 12 months.

Conversely, Waste King was not even mentioned as a brand by consumers in the East, and less than 1% knew the brand without prompting in the North.

• **PLUMBING FIXTURES:** Of all the products evaluated in this year's survey, the low brand awareness—less than 2 in 5 respondents—in the high-end plumbing fixtures category is an anomaly, especially when compared with the higher awareness for faucets.

That no brand was identified by more than 1 in 10 consumers can only mean that consumers do not think of brands when planning to buy a fixture, at least before they enter a store. (This response rate rises to 17% among those Western respondents who named American Standard as a brand.)

It could also mean that manufacturers' and retailers' promotion of plumbing fixtures needs to be refined if brand name awareness is to be expanded in this category.

• **WINDOW FURNISHINGS:** Slightly more than 3 in 10 consumers could name a window furnishings brand when asked, somewhat unusual for a fashion-oriented product. The response rates were considerably lower for the two leading brands, Kirsch and Levelor, although Kirsch was a bit better known by consumers in the South and those who spent $3,000 or more on DIY products last year.

It is evident from the

(Continued on page 75)

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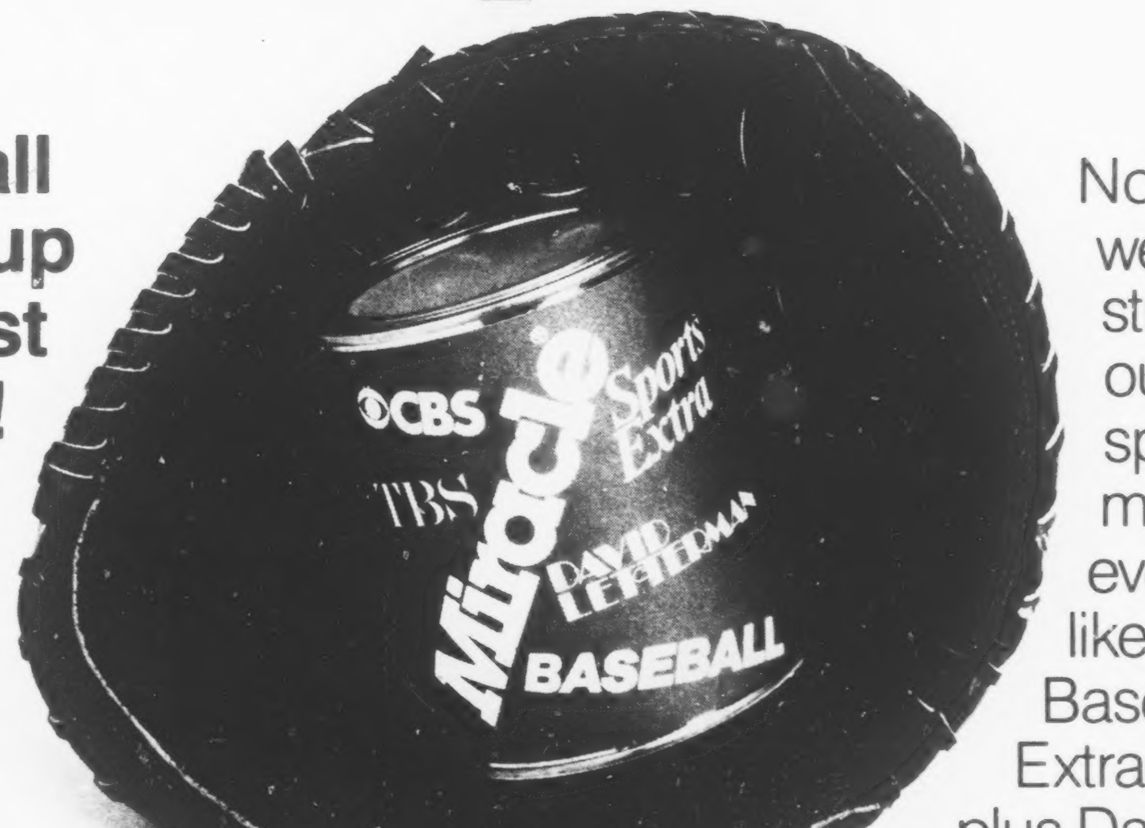

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Doors: Confusion over who's behind them

Less than 1 in 5 consumers could spontaneously name a brand of doors in a recent survey of brand awareness conducted nationwide. Of the 24 product categories evaluated in the study, doors had the lowest brand recognition.

Consumers do not generally associate doors with a particular brand name, and there appears to be considerable confusion among consumers about which companies make the product. The companies whose brands were identified by the survey's respondents most frequently without prompting—Stanley and Andersen—are probably known more prominently for other products.

And, among the brands consumers named on their own, one is actually a glass patio door, another a brand of tub enclosure, and seven others interior, or entry doors.

Stanley, with its family of tools, garage door openers and auto supplies, was named as a door brand without prompting by less than 4% of the survey's respondents, and it had the strongest recognition in the North. Andersen, which makes sliding glass patio doors but is better known for its windows, was a close second and named by 3% of the respondents, with its strongest response rate in the East.

Consumers do not generally associate doors with a particular brand name, and there appears to be considerable confusion among consumers about which companies make the product.

Consumers were twice as aware of Andersen and Stanley as any other door brand. Peachtree and Sears were the next named brands. And among those brands receiving less than 1% spontaneous response were KinKead (U.S. Gypsum's line of tub enclosures), True Value, Simpson and Pease, with the last brand being known in only one region of the country, the North.

There are myriad reasons for the lack of brand recognition in the door category:

- A number of doors are assembled locally with parts derived from a variety of suppliers, and are sold with no brand name;
- Lower-quality doors, used as attractive price point leaders by home centers to boost store traffic, are often made by leading door makers but marketed without a name, as manufacturers generally wish to disassociate themselves from lower-quality products.
- Hanging a door is a relatively new project for many DIYers. "People have only recently considered themselves to be technically qualified to put in a door," said Jack Farrington, national architectural sales manager for Benchmark, a door manufacturer based in Fredericksburg, Va.

In fact, manufacturers over the last two years have been developing doors that are easier to install and hang, and be offered specifically for the DIY market. Prehung wooden entry doors in metal frames, for example, are now regularly sold as DIY products.

In the second part of *NHCN*'s study, consumers were asked whether they had heard of 11 specific brands of doors. Stanley again led the pack, with nearly 8 out of 10 respondents having heard of it, far ahead of either Benchmark (known by 4 of 10 consumers), Permadoor (3 of 10), Simpson (1 in 4), Therma-Tru (1 in 5) and Peachtree (1 in 7).

Stanley had its greatest "aided" response rate in the South, where more than 8 of 10 consumers knew its door brand when asked. The South was kind to Benchmark as well, where more than 4 out of every 10 customers recognized its brand. (This could be a function of Benchmark being Lowe's door supplier.)

The more a consumer spends on DIY projects, the more likely he is to know a door brand. More than 8 out of 10 consumers who said they spent $3,000 or more over the past year on DIY projects had heard of Stanley when asked; 44% knew of Benchmark, 39% Permadoor and 26% knew Therma-Tru.

AIDED CONSUMER BRAND AWARENESS: Doors

18% of consumers could name a brand of doors without prompting. Highest ranking brand got: 4%.*

When asked "Have you heard of ______ brand specifically," consumers said:

Brand	Proportion "yes"
Stanley	8 of 10
Benchmark	4 of 10
Permadoor	3 of 10
Simpson	2½ of 10
Therma-Tru	2 of 10
Peachtree	1½ of 10
Nicolai	under 1 of 10
Pease	under 1 of 10
Kinkead	under 1 of 10

*The aided and unaided rankings do not necessarily correspond.

Source: Leo J. Shapiro & Assoc.; *NHCN* Consumer Top Brands Study 1985

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NHCN's 1985 Top Brands Study

Power tool category dominated by one maker

AIDED CONSUMER BRAND AWARENESS: Power Tools

*92% of consumers could name a brand of power tool without prompting. Highest ranking brand got: 64%.**

When asked "Have you heard of ______ brand specifically," consumers said:

Brand	Proportion "yes"
Black & Decker	10 of 10
Craftsman	9½ of 10
Skil	8 of 10
Hitachi	6 of 10
Milwaukee Tool	3½ of 10
Wen	2 of 10
Makita	2 of 10
Ryobi	less than 1 of 10

*The aided and unaided rankings do not necessarily correspond.

Source: Leo J. Shapiro & Assoc.; *NHCN* Consumer Top Brands Study 1985

When it comes to brand name recognition of power tools by shoppers of home improvement items, the "B" and "D" in Black & Decker could easily stand for brand dominance.

In what is one of the home center industry's most competitive product, categories, power tools made by the Towson, Md., manufacturer were overwhelmingly the best-known brand named by consumers in a national poll. In fact, Black & Decker was the best-known name brand of virtually any home improvement category, except for General Electric light bulbs.

The survey, whose results are nationally projectable, showed that more than 3 out of 5 shoppers immediately named B & D when they were asked to think of a brand in the power tool line.

The poll, conducted for *NHCN* by Leo J. Shapiro and Assoc., surveyed 424 people in all regions of the country who had spent at least $40 on products to improve their homes.

One portion of the study asked the respondent if they could identify certain, previously selected power tool brands, while the other part sought to determine if consumers could spontaneously name power tool brand names.

While B & D eclipsed its nearest competitor, Sears, in that part of the survey where consumers identified power tool brand names spontaneously, both B & D and Sears' Craftsman were monolithic giants in the portion of the survey that tested the recognizability of selected brand names. In the latter category, both were identified by more than 9 out of 10 households as power tool brand names consumers recognized.

In virtually all respondent categories, by region or home improvement expenditure, B & D's brand name dominated, from a low of 50% among consumers in the West to a nearly 70% "top of mind" recognition in the South.

B & D's prominence among consumers was recorded twice as many times as Sears' Craftsman, which was spontaneously mentioned by close to 2 out of 5 shoppers asked to volunteer the name of a power tool brand. Sears was strongest in the North, where 44% identified the brand. Craftsman ranked high among shoppers who had spent at least $3,000 on home improvement purchases, with 4 out of 10 mentioning the brand.

The study also showed that slightly more than 1 of 10 shoppers spontaneously mentioned Skil as a power tool brand name. But among home improvement shoppers in the West, and for those who spent $3,000 or more on products to fix up their homes, the Skil name came up 2 out of 10 times.

In the East, Skil's recognition among polled consumers was barely measurable.

When prompted, consumers recognized the Skil name 4 out of 5 times, a close third to Sears. And among home improvement shoppers in the West, the Skil name vied with B & D and Sears, garnering 90% of the respondents who knew the name. But among shoppers who spent between $40 and $299 on home improvements last year, Skil was recognized only 3 times out of 5. In the East, however, only 6% said they were familiar with the Skil name as a power tool brand.

Some of the more surprising findings in the poll found Stanley Works, which doesn't make power tools, being mentioned spontaneously by 5% of participating consumers, an indication of the strengths of the brand "Stanley" when the word "tool" is evoked. Another surprise was the poor showing in the survey by Makita, the high-end import line that has been making serious inroads into many home centers. Makita received only marginal unaided response from consumers, and only one in five said they knew the brand.

When the brand name Hitachi was bounced off consumers, 6 out of 10 said they knew the Japanese manufacturer as a power tool brand name. Its relatively strong showing could be influenced by the companies high profile in consumer electronics.

But the same was not true for Milwaukee Tool, which also markets its power tools to upscale consumers who are willing to spend a few bucks more. When asked if they recognized the Milwaukee Tool brand name (admittedly better known among builders), only 4 out of 10 nationally could do so.

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Consumers remain in dark on lighting brands

When it comes to lighting fixtures to light up their lives, consumers appear to be in the dark when thinking of brands. Of the small percentage who can name brands of lighting fixtures, more than half cite General Electric, Westinghouse and, to a lesser degree, Sylvania—none of which manufacture home lighting fixtures.

On the other hand, the industry's major manufacturers of lighting fixtures have only minimal brand awareness among consumers. Less than 4% of the consumers surveyed in this year's Brands Study collectively named Progress, Delval, Thomas, Diamond F or Vigon when asked—without assistance—what brands came to mind when they thought of lighting fixtures.

When asked if they had heard of a specific brand, these respondents' awareness climbed to an average of 10% for most of the manufacturers, and higher for Thomas. In aided responses, Thomas garnered a 33% awareness, compared with its mention by less than 1% of the respondents in unaided questioning. But when compared to the "aided" or prompted awareness levels of other categories, particularly for a "fashion" item, lighting brands remain relatively unknown among consumers.

The confusion of brand recognition in the lighting fixtures category may be due to the fact that both G.E. and Westinghouse continue to manufacture electrical fixture components and accessories for lights. This, coupled with both companies' aggressive advertising campaigns, could account for their high showing in this category.

The confusion of brand recognition in this category may be due to the fact that both G.E. and Westinghouse continue to manufacture electrical fixture components and accessories for lights. This, coupled with both companies' aggressive advertising campaigns, could account for their high showing in this category.

Adding to the possible confusion about decorative lighting brand names is the fact that Westinghouse continued to manufacture decorative fixtures until about two years ago when it sold that division to North American Phillips with the provision that the Westinghouse name would continue to be used.

Trailing behind G.E. and Westinghouse was another name unknown in the manufacture of lighting fixtures—Sears. While Sears carries an assortment of decorative lighting fixtures made by several suppliers, the line is sold as a "Sears" brand of lighting fixtures.

Among those people who were asked about specific brands, Thomas, the leading producer in this category, had the highest "aided" recognition rate in the North where more than 44% of the people interviewed there knew the name.

Oddly enough, when asked to name a brand of lighting fixture spontaneously, no one in the North named Thomas. In fact, only people living in the West could think of the Thomas name independently when asked about the lighting category. The Thomas name is helped in part because of its Thomas lighting showrooms located in a number of retail markets.

When asked about the Delval brand only about 9% of the total respondents recognized the name. But when broken down into regions, nearly 1 out of 5 consumers residing in the East knew Delval when asked. The Delval name was also better known among people who had spent more than $3,000 in the past year on a home improvement project.

The Progress brand had its highest "aided" recognition among people living in the North and in the East. Diamond F was recognized more by people living in the South and in the East than in other regions.

Among those people who had spent more than $3,000 on home improvement projects over the past year, Thomas led in recognition with about one-third of the respondents recognizing the name, and Progress followed with about one-fifth of the people in that group recognizing the name.

AIDED CONSUMER BRAND AWARENESS: Lighting Fixtures

25% of consumers could name a brand of lighting fixtures without prompting. Highest ranking brand got: 10%.*

When asked "Have you heard of ______ brand specifically," consumers said:

Brand	Proportion "yes"
Thomas Industries	3 of 10
Progress	1½ of 10
Diamond F	1 of 10
Delval	1 of 10
Vigon	less than 1 of 10

*The aided and unaided rankings do not necessarily correspond.

Source: Leo J. Shapiro & Assoc.; *NHCN* Consumer Top Brands Study 1985

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Resilient flooring captures buyers recognition

Although carpeting is the biggest selling floor covering product on the market today, consumer brand recognition is firmly held by the resilient floor covering manufacturers, according to a recent survey on consumer brand awareness conducted for *NHCN* by Leo J. Shapiro & Assoc.

The survey, which polled 424 consumers across the country, revealed that 6 out of 10 people could identify a floor covering product by brand name with most of that recognition going to hard floor manufacturers, particularly Armstrong, which got a 38% "top of mind" response.

In fact, when the consumers in the survey were specifically asked to respond to manufacturers names, virtually all said they knew of Armstrong.

Other than Armstrong, only Congoleum produced spontaneous awareness of more than 10% by consumers in this survey. Unaided responses were also given, naming Sears/Craftsman/Kenmore, Color Tile, Mannington, Burlington, Tarkett and Amtico, but all with less than 3% of the total.

The results of the survey did not surprise Bill Braham, director of communication for the Retail Floor Covering Institute.

"The carpet manufacturers do an awful job creating brand name recognition. Hard flooring manufacturers do a much better job at it," he said.

What was surprising about the survey was that Kentile—identified by retailers as a strong name in flooring in last year's brand survey—did not register among other names by consumers in spontaneous responses. Also, while the Armstrong name is known by virtually everyone, its two closest competitors, Congoleum and Mannington, don't share the same kind of name recognition.

Congoleum, when mentioned, is recognized by a highly respectable 88% of those polled in the "aided" section of the survey. But Mannington was identified by far fewer consumers. In specific questioning fewer than 1 in 3 recognized the brand name.

Close examination of the survey results also reveals that brand name recognition in hard flooring is most important to consumers actively engaged in a DIY project and to people who have spent more than $3,000 on home improvement projects.

Brand name recognition among this latter group of DIYers was 71%, according to the survey. Nearly two-thirds of the respondents who are planning a home improvement job within the next 12 months knew of a brand name in this category, and more than 6 out of 10 people who have completed a DIY project identified at least one floor covering brand name.

The flooring portion of the brand survey, like many others, produced its example of brand name confusion. Specifically, Sears, grouped with its popular Kenmore and Craftsman names, was identified in spontaneous responses as floor covering brand names even though the retail giant does not sell flooring under these labels. After Armstrong and Congoleum, it was the most popular name listed for floor coverings.

Several unpredictable twists were also uncovered. When consumers were specifically asked if they recognized particular brand name flooring, several well-known companies, received weak results.

Amtico and Azrock—popular among retailers for floor tiles—were unfamiliar labels to consumers, the survey indicated. Almost 9 of 10 consumers did not recognize the Amtico name and exactly 9 of 10 said they did not know the Azrock name. Both companies were almost completely unknown to Southern respondents, and were most familiar in the East.

Bruce, a popular wood flooring manufacturer, was familiar to nearly one-fourth of the consumers in this survey and by more than one-third of the respondents in the North.

When specifically asked about Top Tile, a New York-based flooring importer that does between 30% and 40% of its sales as a private labeler and who has been manufacturing its product under the name Top Floor since January 1983, there was a 14% recognition factor, a positive sign to the company, said Harlan Stone, general manager.

"I didn't realize we had so much power with the name," he commented.

AIDED CONSUMER BRAND AWARENESS: Floor Covering

61% of consumers could name a brand of floor covering without prompting. Highest ranking brand got: 37%.*

When asked "Have you heard of ______ brand specifically," consumers said:

Brand	Proportion "yes"
Armstrong	9½ of 10
Congoleum	9 of 10
Mannington	3 of 10
Bruce	2½ of 10
Tarkett	1½ of 10
Amtico	1 of 10
Azrock	1 of 10
Top Tile	1 of 10

*The aided and unaided rankings do not necessarily correspond.

Source: Leo J. Shapiro & Assoc.; *NHCN* Consumer Top Brands Study 1985

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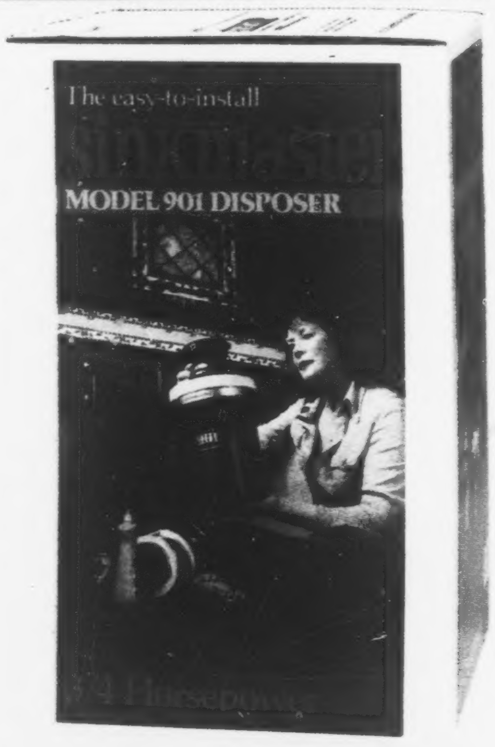

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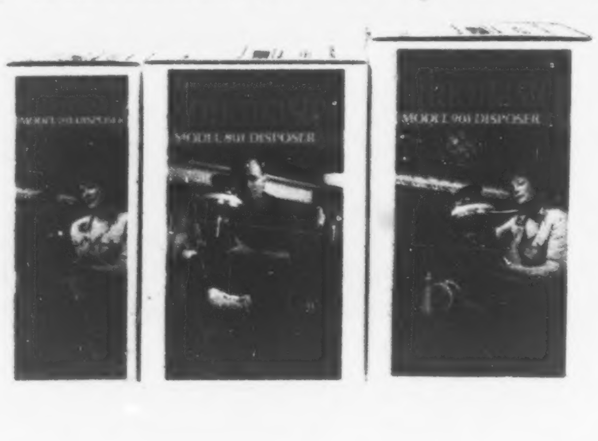

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High-end fixtures gain low-end brand response

For a category that ranks among the home center industry's high-end products, plumbing fixtures hold little brand name significance for shoppers, a national poll has found.

The findings indicated that more than 6 out of 10 shoppers of home improvement products are unable to spontaneously name just one plumbing fixture brand name when asked.

The results, though different in methodology, bore a remarkable similarity to *NHCN*'s 1984 Brands Study of dealers, who noted that no single brand of plumbing fixture had market leadership and relatively little consequence in their marketing of showers, tubs, sinks and toilets, compared to other product categories.

In this year's Brands Study, conducted by Leo J. Shapiro and Assoc., 424 consumers who had spent at least $40 on home improvement purchases, were asked to name a brand name they are familiar with when it comes to plumbing fixtures. Of the total, less than 4 out of 10 respondents were able to identify a plumbing fixture brand name unaided.

The percentage of respondents who could not identify a plumbing fixture brand is surprising given the home center industry's general view that the category represents a strong growth area. Throughout the industry, retailers report that they are increasing floor space for plumbing fixtures and have recorded brisk sales and high volume in what is generally a big-ticket department.

Although slightly less than 2 in 5 persons could name a brand in plumbing fixtures, not one of the 14 brands the consumers mentioned earned more than 10% of the responses. Moreover, with the exception of Kohler and American Standard, the "unaided" response for most brands ranged from a negligible three-tenths of 1% to 5%. The scores in part suggest that only a limited number of households are readily familiar with these big-ticket products, perhaps because they are bought only occasionally.

On this relative scale Kohler and American Standard are plumbing fixture "giants," each being mentioned by 1 out of 10 of the consumers who were asked to identify a brand name in the category.

When examined by regional breakdowns and expenditure groupings, it appears that Kohler is a slightly better known brand name by certain shoppers.

In the South, and among those who spent between $40 and $299, Kohler was twice as popular as American Standard. Kohler was also slightly better known by the group of consumers who spent $3,000 or more on a home improvement project.

But American Standard also appears to have a prescribed market profile of its own. In the West, for example, nearly 2 out of 10 respondents named American Standard when requested to identify a brand name. For shoppers in the $300 to $2,999 category, American Standard also earned higher marks than Kohler.

However, both products appeared to be wholly unknown in the North.

The Delta brand name, under which low-end toilets are marketed, was the third most mentioned name by consumers.

In a second part of the survey in which shoppers were asked if they recognized certain, selected brand names upon hearing them, American Standard emerged as a sizable market winner. More than 8 of 10 shoppers recognized the American Standard brand, compard to its second most recognized rival, Kohler, which was named by slightly more than 5 in 10 shoppers. In the East, South and West, American Standard's recognition was even higher, generating a rate of 9 out of 10 shoppers who said they knew the name.

Kohler's strongest regional presence among shoppers who recognized its name was in the West, where nearly 7 out of 10 respondents indicated they knew the Kohler brand.

The Crane brand name, which had been marketing plumbing fixtures to retailers under the Dalton name, was the third most recognized brand by consumers when they heard it spoken.

AIDED CONSUMER BRAND AWARENESS: Plumbing Fixtures

38% of consumers could name a brand of plumbing fixtures without prompting. Highest ranking brand got: 9%.*

When asked "Have you heard of ______ brand specifically," consumers said:

Brand	Proportion "yes"
American Standard	8½ of 10
Kohler	5½ of 10
Crane	5 of 10
Eljer	3 of 10
Artesian	2½ of 10
Universal-Rundle	2 of 10
Carefree	1 of 10

*The aided and unaided rankings do not necessarily correspond.

Source: Leo J. Shapiro & Associates for *NHCN;* 1985

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Private label mentioned most in hand tool lines

Hand tools are easily among the home improvement industry's more universal product lines, yet consumers who were asked to identify some brand names in the category for a national poll showed no strong familiarity with product identities.

In fact, the brand name mentioned most frequently in the survey by consumers was a private label by a nonhome center retailer and it was identified by less than half of the respondents. That label was Sears' Craftsman.

The findings by Leo J. Shapiro and Associates may be another sign of the formidable presence Sears continues to project in the minds of shoppers for DIY products. On the other hand, the poll may also be an indication that most home center shoppers have no ardent appreciation of hand tool brand names.

The survey, the results of which are nationally projectable, asked 424 persons who spent between $40 and as much as $3,000 on home improvement products in all regions of the country to name "top of mind" hand tool brand names when they thought of that category. The second part of the survey tested to see if consumers recognized certain, previously selected brand names upon hearing them.

In the spontaneous responses, in which shoppers named products they knew on their own, Sears was identified by 4 out of 10. When broken down by region and home improvement expenditure groups, the data showed Sears earned even higher response rates in the South—where half of the consumers polled mentioned its brand—and among half of those who spent at least $3,000.

Sears' lowest response rate came from DIY shoppers in the East, where 1 in 3 knew its Craftsman brand name.

The giant retailer's closest competition for "top of mind" brand awareness in hand tools was Stanley, which was mentioned by 3 out of 10 "unaided" consumers. In the West, Stanley's response rate rose to 44% of that region's consumers.

The spontaneous identifications by shoppers in the poll are in sharp contrast to their responses about power tools, where 6 out of 10 shoppers immediately cited Black & Decker when asked to name a power tool brand name.

But like the study on power tools, Sears shared the limelight for brand name recognition among consumers asked specifically about a certain brand of hand tool, as it did with B&D in power tools. In this case, the brand is Stanley.

There was a closer parity between the two brands, both earning a dominant 9 out of 10 responses from consumers when they were asked if they knew these product lines' names.

In at least two instances, 100% of the respondents—those in the West and those who spent more than $3,000 on DIY fare—knew of the Sears Craftsman name when asked about it. All the respondents in the East recognized Stanley.

With the exception of one regional group, where 89% of Northern consumers named Stanley, Sears Craftsman and Stanley received a 90% prompted response rate.

Red Devil, the brand name line of paint sundries, was the third most recognized name in the survey. More than 2 out of 4 of those respondents asked about Red Devil were acquainted with the name.

That figure rose to 5 out of every 7 among those consumers having spent $3,000 or more on home improvement items, and 7 out of 10 of those who either lived in the East, or were planning to undertake a DIY project over the next 12 months.

Estwing, the Rockford, Ill., hammer manufacturer, was known by 1 in 10 consumers who heard its name. The company's widest brand recognition was among consumers who planned a DIY project and those who had spent $3,000 or more on merchandise this past year, with 2 out of 10 consumers in each subgroup knowing the Estwing name when asked.

And The Cooper Group was recognized by a remarkable 25% of those "aided" consumers, even though these respondents were asked about Cooper, per se, and not specifically about the family of brands—e.g., Crescent, Nicholson, Wiss, Boker—under which it markets its hand tools.

AIDED CONSUMER BRAND AWARENESS: Hand Tools

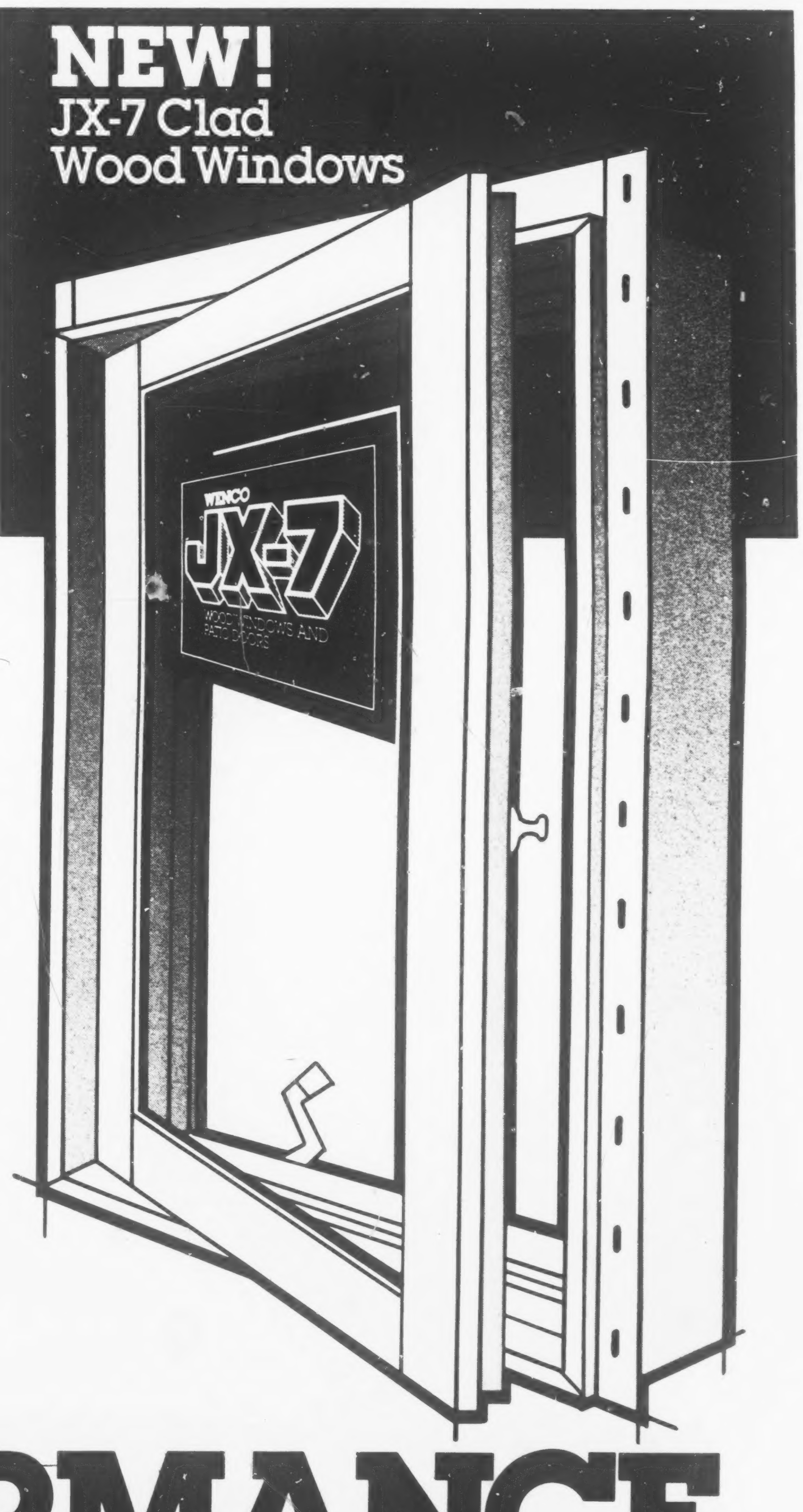
82% of consumers could name a brand of hand tools without prompting. Highest ranking brand got: 41%.*

When asked "Have you heard of ______ brand specifically," consumers said:

Brand	Proportion "yes"
Stanley	9½ of 10
Craftsman	9½ of 10
Red Devil	5 of 10
Cooper Group	2½ of 10
Easco	1 of 10
Hyde Tool	1 of 10
Estwing	1 of 10

*The aided and unaided rankings do not necessarily correspond.

Source: Leo J. Shapiro & Assoc.; *NHCN* Consumer Top Brands Study 1985



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Consumers bear out dealers' faucet perception

Last year, 3 out of 5 retailers named Peerless and Delta as their stores' best-selling faucet brands in *NHCN's* Brands Study. In this year's survey, consumers showed why this is the case.

According to a recently completed study of consumer brand awareness prepared for *NHCN* by Leo J. Shapiro & Assoc., shoppers named these two faucet brands spontaneously more often than any others.

In fact, of the nearly 60% of respondents who could name a faucet brand on their own, three-fifths identified either Delta or Peerless, both made by Masco Corp. Delta got 20% of the total "top of mind" responses in this category alone.

Other faucet brands given top-of-mind recognition included Kohler, American-Standard, Moen, Price-Pfister, Sears/Craftsman/Kenmore, Eljer, Sterling and True Value, though each of these received 7% or fewer responses.

Among these, Kohler had the highest unaided recognition. And, when consumers were prompted with brand names, more than 4 out of 5 who recognized it in the $40 to $299 range.

Carefree, the Pittsburgh-based company, was only slightly better known to DIYers who spent more than $3,000 last year than it was to consumers who spent between $40 and $299 in the last year, the survey said.

Unaided responses cast a slightly different picture. Under this line of questioning, Kohler showed relative strength among consumers spending $3,000 or more on home improvement products last year, while American Standard came freely to mind more often among consumers in the $300 to $2,999 range, and Moen among those respondents in the $40 to $299 spectrum.

Consumers' familiarity with these lesser-known brands pales when compared to the 20% of total respondents spending $3,000 last year in DIY fare who could name Peerless on their own, and an equal number of those having shelled out $40 to $2,999 for home improvement products identifying Delta with no prompting.

AIDED CONSUMER BRAND AWARENESS: Faucets

*59% of consumers could name a brand of faucets without prompting. Highest ranking brand got: 20%.**

When asked "Have you heard of ______ brand specifically," consumers said:

Brand	Proportion "yes"
Delta	8½ of 10
Peerless Faucet	8 of 10
American Standard	8 of 10
Moen	3 of 10
Price-Pfister	2½ of 10
Carefree	2 of 10
Artistic Brass	1 of 10

*The aided and unaided rankings do not necessarily correspond.

Source: Leo J. Shapiro & Assoc.; *NHCN* Consumer Top Brands Study 1985

> *In keeping with the results throughout the survey, faucet brand names are most often known to consumers who are active DIYers, people spending much more than $40 last year on such projects and by people who have already completed home improvement projects.*

Kohler was known by 6 out of 10 persons, ranking behind Delta, Peerless and American Standard, each of which getting "aided" response rates of 8 out of 10 consumers.

Other faucet names were recognized by only half of those consumers asked specifically about a certain brand, with Price-Pfister, Moen, Eljer, Carefree, Aqualine and Sterling (owned by Kohler) being recognized by 50% or less of the survey's respondents.

Eljer Plumbingware, however, is trying to remedy its anonymity through a consumer advertising campaign it just initiated to increase DIY awareness of its brand.

Artistic Brass, the Los Angeles manufacturer of higher-end faucets, appeared to be the least-known brand, having been recognized by only 1 in 10 respondents who were prompted with its name.

In keeping with the results throughout the survey, faucet brand names are most often known to consumers who are active DIYers, people spending much more than $40 last year on such projects—the base figure for the survey—and by people who have already completed home improvement projects.

In fact, in all but two cases, Delta and Carefee, consumers are incrementally more aware of faucet brand names as they spend more on their home improvement projects.

For Delta, 9 of 10 survey respondents who spent more than $3,000 last year on home improvement projects knew the Delta name. But, only about 8 in 10 knew of the label in the $300 to $2,999 category compared to

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NHCN's 1985 Top Brands Study

Only one window washes with consumers

AIDED CONSUMER BRAND AWARENESS: Windows

51% of consumers could name a brand of windows without prompting. Highest ranking brand got: 34%.*

When asked "Have you heard of ______ brand specifically," consumers said:

Brand	Proportion "yes"
Andersen Window	6½ of 10
Keller	3 of 10
Pella	3 of 10
Crestline	3 of 10
Wenco	1½ of 10
Marvin	1 of 10
Caradco	less than 1 of 10

*The aided and unaided rankings do not necessarily correspond.

Source: Leo J. Shapiro & Assoc.; *NHCN* Consumer Top Brands Study 1985

For all practical purposes, when consumers think of windows, they think of Andersen.

Significantly, only about half of the consumers interviewed in a new national study could name a brand of window, but the majority of that group named Andersen as the brand they thought of in windows.

Other brands mentioned included Pella, Crestline, Marvin, Caradco and Keller, but even when counted as a group, they were named by only about 10% of the respondents.

When asked if they had heard of specific brands, Andersen came out far ahead of the other brands with recognition by almost 65% of the respondents. Andersen's recognition was highest among those living in the North where the name was recognized by almost 85% of the people interviewed. Andersen also had high recognition among Easterners, 76%, and dropped off to 54% among people living in the South and 45% of people living in the West.

The Andersen name was recognized more by people who had spent between $300 and $2,999 on home improvement projects in the past year. Among that group, almost 72% of the respondents were familiar with the Andersen name.

After Andersen, the most mentioned "top of mind" window brand was Pella. A little more than 5% of the respondents named Pella without prompting as a brand of window, although when asked in a later question if they had heard of Pella specifically, more than 30% of the respondents said they had. The highest response to the brand came from people who live in the North, where 40% of the consumers were familiar with Pella. In the East, the Pella name was known by more than one-third of that region's consumers, and about one-fourth of the total respondents familiar with Pella live in the South and the West.

While very few of the respondents named the Crestline or Keller brands on their own, when asked specifically about those brands almost 30% of the respondents said they had heard of the names. Crestline had its strongest aided awareness in the East and North where more than a third of the respondents recognized the brand.

> *Even among people who had completed home improvement projects there was little difference between brand awareness in windows. Part of that may be due to fewer people taking on DIY window projects. . . .*

Unlike the other leaders, Keller had its greatest recognition among people who live in the South. About one-third of the Southerners knew the Keller name, while about 30% of those living in the East or West knew the name when prompted.

Even among people who had completed home improvement projects there was little difference between brand awareness in windows. Part of that may be due to fewer people taking on DIY window projects as compared to other types of DIY projects, or the location of window departments in areas where the average shopper may not pass through frequently.

Oddly enough, in naming brands of windows, almost 20% of the respondents named on their own, brands or names that were not window brands. Thermopane received a higher percentage of response than did any brand besides Andersen and Pella. Thermopane, a type of insulated glass often used in windows, is viewed as a "brand" by more people in the South and the North than Crestline, Marvin, Cardaco or Keller, even though it is not in fact a brand name.

The highest incidence of that tendency came from people who live in the West. Among that group, 22% identified names of windows classified in the survey as "other."

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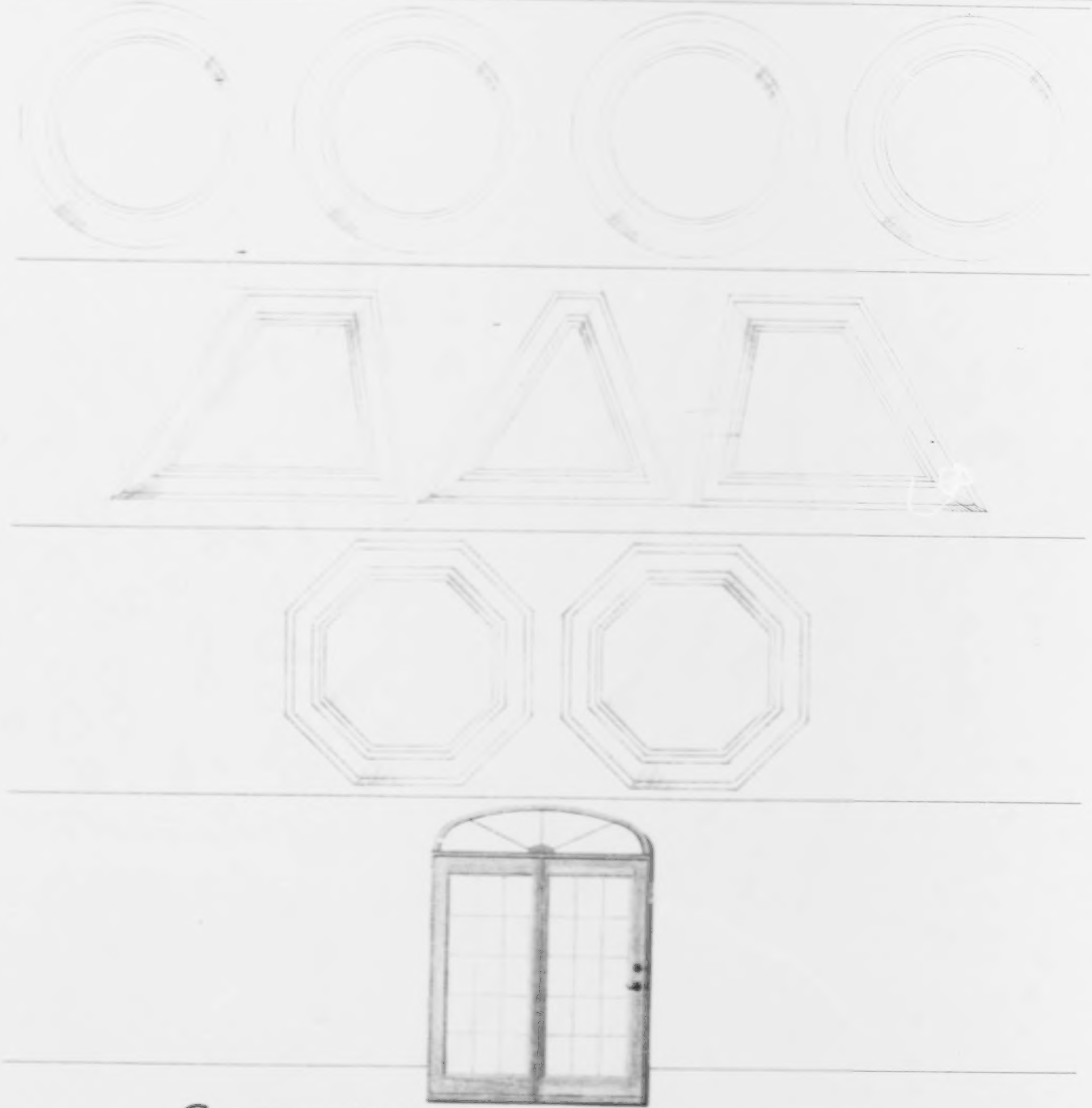

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AIDED CONSUMER BRAND AWARENESS: Paneling

23% of consumers could name a brand of paneling without prompting. Highest ranking brand got: 8%.*

When asked "Have you heard of ______ brand specifically," consumers said:

Brand	Proportion "yes"
Georgia-Pacific	8 of 10
Masonite	8 of 10
Weyerhaeuser	5½ of 10
Champion	3 of 10
States	1 of 10
Abitibi	1 of 10
Ply-Gem	less than 1 of 10

*The aided and unaided rankings do not necessarily correspond.

Source: Leo J. Shapiro & Assoc.; *NHCN* Consumer Top Brands Study 1985

Paneling brand names elusive to shoppers

A sizable majority of consumers in a national poll revealed an exceedingly low awareness about brand names in wall paneling.

Almost 80% of the respondents in the survey could not name one brand name wall panel product spontaneously when they were asked to do so.

The low brand familiarity in paneling made the category among the lowest ranked products consumers knew by brand name. Of 24 home center products examined in *NHCN*'s Brands Study this year, wall paneling ranked 21st as a recognized product by brand name, based on consumer "unaided" responses. Power tools were No. 1. Doors were at the bottom of the list in spontaneous name brand familiarity.

Conducted by Leo J. Shapiro and Assoc., the study tended to uphold findings reached last year when dealers were questioned about best-selling brand names in their stores. In that survey, a majority of home center retailers indicated that brand names in paneling have virtually no bearing on whether a shopper will purchase one panel over another.

The industry's view is that paneling, like other commodity products and doors, is purchased more on the basis of where the product is sold, rather than the brand names the stores carry. As a result, the reputation of a store from which the panel is purchased weighs more heavily in the consumer buying decision than the brand name of the panel.

Moreover, wall paneling, like doors, is purchased infrequently, usually over long periods of time, thereby further dimming consumers awareness of brand names in the field. Added to this observation is the opinion by some manufacturers that wall paneling did not actually become a DIY product until six or seven years ago, and has yet to acquire a strong competitive presence with the more popular wallpaper products.

While the survey does not attempt to gauge market penetration by wall paneling brands, the findings tend to indicate that advertising campaigns for some companies are missing huge blocks of potential buyers. Abitibi and Champion International, for example, two panel producers who have attempted to heighten the profile of the category through consumer advertising, were among the least mentioned brand names by consumers when asked to name a panel brand. Abitibi received a scant 1% of the 95 persons who could name a wall panel brand on their own while Champion was not mentioned at all.

Even for companies that have boosted its market presence, consumers still found them to be strangers. For example, Ply-Gem, a 40-year-old paneling manufacturer that is now turning out high-end decorative wall panels and markets its products in retail outlets in 44 states, was mentioned by only two-tenths of 1 % of the consumers asked to name a panel brand.

The most frequently identified panel brand was Georgia-Pacific, which was mentioned by 7% of the respondents who could name a panel brand when asked. When examined by groups, G-P was identified by 1 out of 10 respondents in the East and among those who spent between $300 and $2,999 for a home improvement project. Georgia-Pacific was also cited by 8% of the consumers who planned to do a home repair project. The Atlanta-based forest products producer was the most dominant brand name mentioned in all nine of the consumer groupings the survey sampled.

Weyerhaeuser was Georgia-Pacific's closest rival, but was mentioned by one-third as many respondents. Weyerhaeuser was identified without prompting by only 2% of the respondents. In the South, nearly 4% of the shoppers in the survey identified Weyerhaeuser.

In a separate part of the study in which consumers were asked if they recognized certain

(Continued on page 75)

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Regional cabinet brands named 2 of 3 times

While Triangle Pacific and Merillat are, in terms of unit production, the No. 1 and 2 kitchen cabinet makers in the U.S., names of smaller vendors appear to come into consumers' minds as often when asked which brands they are aware of.

However, brand awareness of kitchen cabinets in general among those consumers who have spent $40 or more on a DIY item over the past 12 months is relatively low, compared to other products, with only around 1 in 5 consumers questioned being able to name a kitchen cabinet brand on his own.

In fact, the "brand name" mentioned by the greatest percentage of consumers, without any prompting, was Sears, an indication that, as in several other product categories, many consumers confuse brand name with store of origin, particularly in the case of the Chicago retail giant.

It may be surprising to find relatively low brand recognition in a category where the product can be quite expensive, but the category's two-step distribution may blur brand identification.

In a study of consumer attitudes conducted for *NHCN* by Leo J. Shapiro & Assoc., the Chicago-based research firm, Merillat followed Sears as the brand consumers knew without being told, although the "top of mind" awareness for Merillat did not vary that radically from several others. Attracting nearly as many responses were American Woodmark, Kitchen Kompact, Diamond, Aristokraft and Yorktowne.

Of those consumers who could name a brand without being prompted, nearly 2 out of 3 named one of a variety of other, smaller regional brands, reflecting of the large number of vendors serving this product category.

One not-so-surprising result of the survey was that many consumers responded to the brand name question by saying that custom-made cabinets were the first type that came to mind. Custom design remains an important source of new kitchen cabinetry, particularly in the case of specialty stores that are prominent in the industry.

The headway made by vendors other than Tri Pac and Merillat was apparent when these same consumers were prompted further, with questions that asked them if they had ever heard of particular brands.

Nearly 1 out of 3 of the consumers in this subgroup said that, yes, they had heard of Riviera, the Lancaster, Ohio, manufacturer. And just about an equal number said the same thing about the Yorktowne and Aristokraft brands.

About 1 out of 5 of the participants in the survey said they had heard of American Woodmark, and Diamond. Nearly an equal number said the same about Kitchen Kompact.

As for the big hitters—Tri Pac and Merillat—the story was different. Fewer than 1 out of 10 consumers, when prompted with a question about those brand names, said they had heard of them.

Consumer awareness of brand names varied by region; in some cases, to a substantial extent. About 1 out of 3 consumers in the North were able to name a kitchen cabinet brand name when asked what brand name came to mind first. In contrast, less than 1 out of 5 consumers elsewhere were able to do the same.

When prompted further, in the form of questions that asked consumers if they had ever heard of specific brand names, it became clear that certain brands had regional followings. Both Merillat and Tri Pac found their strongest following in the South, but seemed to have a reduced profile in the West. Consumers in the South appeared most aware of Riviera and Yorktowne, each of which gathered about 1 out of 3 consumers.

Aristokraft seemed to have a higher profile in the northern states than did any other brand. More than 1 out of 3 consumers there recognized the name, when prompted. However, Riviera, Yorktowne, American Woodmark and Diamond were also well known there.

In the eastern states, Yorktowne seemed to have a higher presence than did other brands. In the West, more awareness was expressed for Aristokraft, Riviera and Diamond.

(Continued on page 75)

AIDED CONSUMER BRAND AWARENESS: Kitchen cabinets

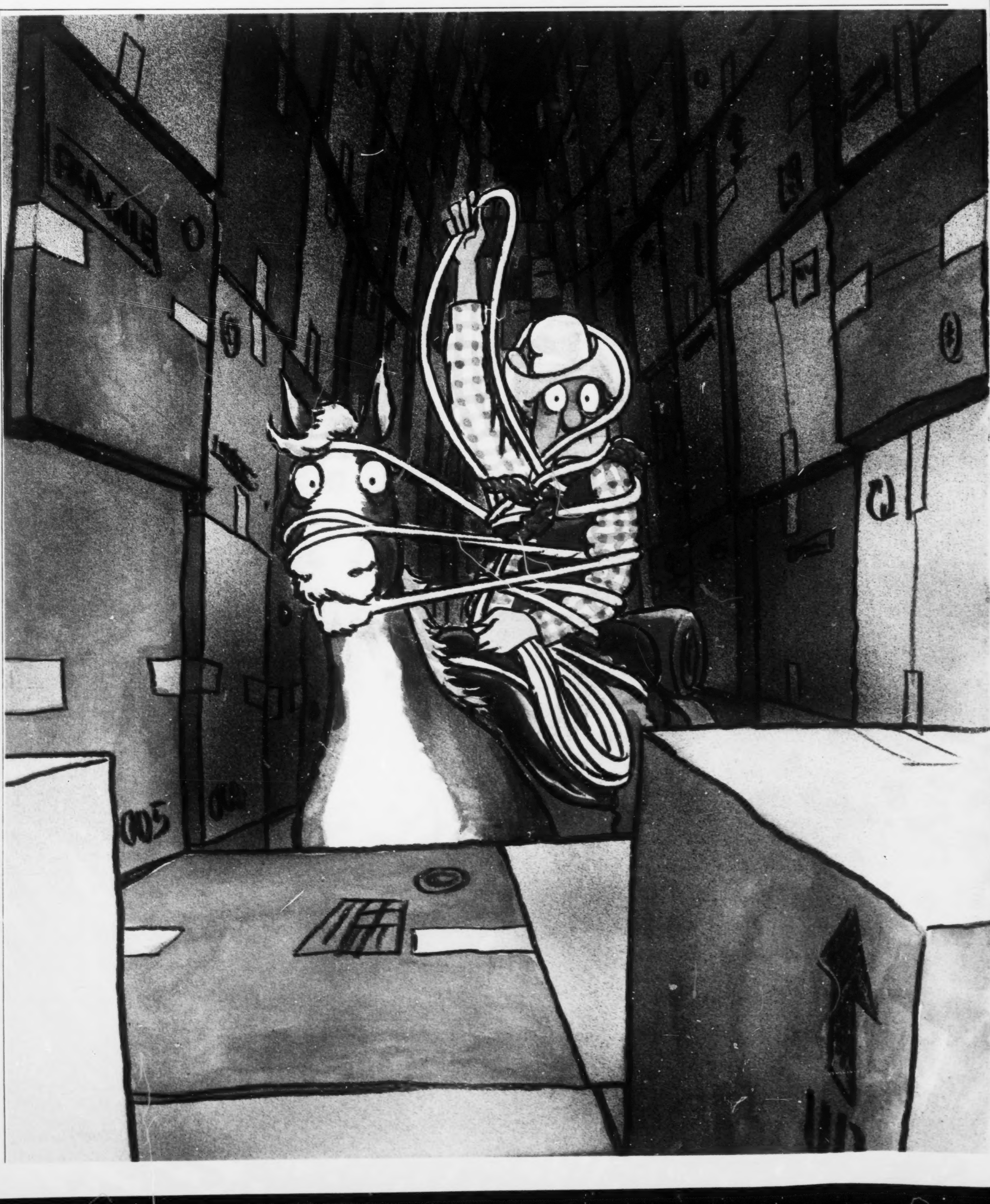
21% of consumers could name a brand of kitchen cabinet without prompting. Highest ranking brand got: 4%.*

When asked "Have you heard of ______ brand specifically," consumers said:

Brand	Proportion "yes"
Tri-Pac	4 of 10
Aristokraft	3 of 10
Riviera	3 of 10
Yorktowne	3 of 10
American Woodmark	2 of 10
Diamond	2 of 10
Kitchen Kompact	1½ of 10
Merillat	1 of 10

*The aided and unaided rankings do not necessarily correspond.

Source: Leo J. Shapiro & Assoc.; *NHCN* Consumer Top Brands Study 1985



Promos, ads power buyers unaided responses

(Continued from page 45)

"brands" identified by consumers in this category—Sears, J. C. Penney, K mart, Ace, Montgomery Ward—that store is as important as brand to consumers buying these products.

- **CEILING FANS:** Only 3 in 10 of the survey's respondents could name a ceiling fan brand spontaneously, although in the South, more than 4 in 10 were able to name a brand.

But when it comes to brand awareness for individual names, only Hunter could get more than a 10% response rate which, not that surprisingly, jumped to 32% among Southern consumers. However, under 1% of consumers in the East could identify Hunter as a brand, about the same percentage in this sector who could name G.E. or Emerson.

- **LIGHTING FIXTURES:** One-quarter of all those polled new of a lighting fixture brand, although the two names most often identified in the survey—G.E. and Westinghouse—do not make fixtures.

Brand awareness for decorative lighting fixtures among the home improvement industry's leading brands—Progress, Del-val, Diamond F, Thomas—was remarkably low, indicating that this is a category that is either not heavily promoted by brand, or that consumers have chosen to completely ignore the names on the product when they contemplate a lighting fixtures purchase. When consumers were given the names of selected brands and asked if they knew them, the responses rates still indicated low brand awareness.

- **PANELING:** Despite some heavy advertising by certain manufacturers, paneling remains a commodity people buy without too much regard for brand.

Only 23% of all consumers polled could name a brand, and but 14% in the West knew a brand they could name. Less than 1 in 10 identified Georgia-Pacific as a brand name, with other producers faring worse. Masonite was not even known among consumers in the West, and Abitibi was not mentioned at all in the West or South.

- **STORM DOORS:** This category of products is clearly perceived by consumers as one where brand is not that significant. Less than 1 in 4 consumers polled could name a brand, and the name most often named—Sears and Andersen—were identified by only 1 in 20 respondents.

Anderson's stock rose somewhat among consumers who spent $3,000 or more on DIY products last year: one in 10 could name it as a brand. Croft, which supplies virtually every major home center chain in the country, could manage a response rate of only three-tenths of 1%, again an indication that market penetration in certain categories does not hinge on brand name awareness among consumers.

- **SIDING:** About one-fifth of the survey's respondents could name a brand of siding, a ratio that increases to 1 in 4 among those polled who spent $3,000 or more on DIY products over the past 12 months.

Aluminum and vinyl siding suppliers such as Reynolds and Alcoa were identified as brands by a small portion of consumers, as was Sears, which showed consumers interchanging brand and store names.

Alcoa's brand awareness quotient rose appreciably among Northern consumers and those who spent more than $3,000 on DIY fare, although it never exceeded 15%.

- **KITCHEN CABINETS:** With the bulk of kitchen cabinets still being shipped on a two-step basis, and brand promotion still being somewhat spotty among dealers and suppliers, it comes as no surprise that the category got only a 1 in 5 response rate for unaided brand recognition.

For this reason, the reputation of the dealer selling the cabinet appears to be more important to a consumer's buying decision than brand. This would explain Sears, with a 6% response rate, being the highest ranking brand identified in the category. It would also explain why most of the better-known (among dealers) kitchen cabinet names fared so poorly among consumers in brand awareness.

- **DOORS:** This category ranked last in brand awareness, with less than 1 out of every 5 consumers polled being able to name a brand of door. That ratio changes only marginally upward among consumers spending $3,000 on DIY fare.

Stanley, Andersen, Peachtree and Sears all got between 3% and 1% unaided responses, with Stanley doing better in the North, and Andersen in the East and among high-spending shoppers. Peachtree wasn't identified as a door brand at all by Western consumers.

Regional cabinet brands named 2 out of 3 times

(Continued from page 74)

Responses showed that those consumers who were planning kitchen remodeling projects were more aware of brand names than those who weren't, suggesting that consumers start looking more closely at advertising when they are planning this large-ticket home improvement job.

On the whole, though, kitchen cabinets ranked low—eighth out of 11 product categories in the survey—as merchandise about which consumers learn of brand names through retailers' advertising.

Among those consumers planning a DIY project, around 25% were able to name a brand when asked which one first came to mind. Of those not planning any project, that number fell to 1 in 5.

When prompted with the names of an individual brand, and asked if they'd heard of them, consumers planning a project exhibited a greater awareness than those who had no such plans. Nearly half again as many of these consumers planning projects said they had heard of Aristokraft, Riviera, Yorktowne and American Woodmark.

80% shoppers unable to name paneling brand

(Continued from page 72)

brand names upon hearing them, Georgia-Pacific had stiffer competition. While 8 out of 10 consumers said they recognize the Georgia-Pacific brand, an equal number were familiar with Masonite, a diverse building materials manufacturer based in Illinois. In two consumer groups, Masonite was better known than Georgia-Pacific among shoppers in the East and among those who spent between $40 and $299

But Georgia-Pacific enjoyed a sizable edge in recognition by shoppers in the North, South, and among the group that spent more than $3,000 on home repair.

Weyerhaeuser was recognized by 1 out of every 2 consumers in the poll. In the West, South, and among those in the $40 to $299 range, Weyerhaeuser was known by 6 of 10 shoppers who heard the brand name.

Champion International, which was not even mentioned in the unaided section of the survey, where consumers were asked to name a panel brand spontaneously, was the fourth most recognized panel name when shoppers heard it spoken. Champion was recognized by 3 out of 10 shoppers nationally, and almost 4 out of 10 in the South.

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Riviera Cabinets are the high profit cabinets that will increase your sales by adding more quality to your product line, not boxes to your already knotted inventory.

That's because Riviera cabinets are Built-to-Order, which means that you never have to stock Riviera, just display them. Here's how the Built-to-Order program works:

After your customer selects from among Riviera's 12 distinctive styles and dozens of convenience features, you send us the order for the cabinets you need. We'll build the cabinets and deliver them to you on schedule. No inventory investment or valuable warehouse space is needed from you.

And with Riviera's comprehensive promotional support, including display assistance, expert training, complete P.O.P. materials and excellent co-op advertising, you're assured that fast-turning Riviera cabinets will bring you an excellent ROI, order after order.

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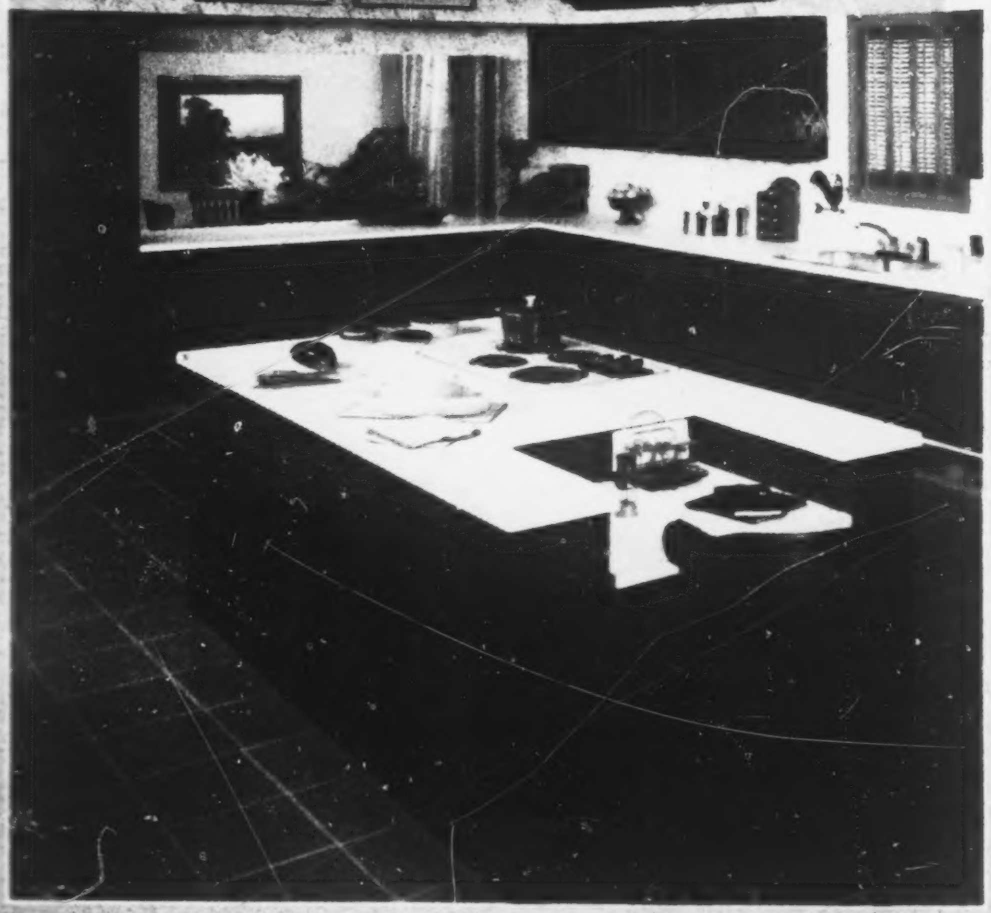
For more information, write: Riviera Cabinets, Inc., Suite 200, 825 Greenbrier Circle, Chesapeake, Virginia 23320, or call: 804/424-7400.



A Country Squire display on the sales floor is the traditional way to reach the cabinet buyer.

RIVIERA CABINETS, INC.
Built-to-Order. Built-to-Last.

Retail videodisc use falls short of projection

NATIONAL REPORT — Retailers, manufacturers and the public have been much slower than anticipated to accept video interactive merchandising applications, according to a new report from the Yankee Group, the Boston research firm.

At the same time, the Yankee Group said that the environment still favors the growth of this element of retailing. "Time constraints on the consumer, demographics of purchasers and the increasingly competitive nature of the retail industry all indicate that alternative retailing channels remain viable phenomena," stated the new report, titled, "Video Interactive Merchandising Revisited."

When the Yankee Group issued an earlier report on this same topic two years ago, it estimated that over 15,000 videodisc merchandising aids would be installed in the United States by the end of 1985. In its new report, the firm said that the number would more likely be around 3,700. A total of only 650 such systems were in place at the end of 1984, according to estimates in the new report. By the end of 1987, the Yankee Group said, over 20,000 video interactive merchandising systems will be installed.

The Yankee Group pointed to the success of CompuSave as one impetus to grow the installed base of transactional systems from 30 at the end of 1984 to 1,700 by the end of this year. Transactional terminals should approach 10,000 by the end of 1987, said the research group.

The Yankee Group pointed to several factors that are required for video interactive merchandising to become more prevalent. These include the following:

- Acceptance of the concept by large, well-established retailers.
- The availability of interactive terminals at a variety of price points.
- An acceptance of the concept on the part of consumers.

In the area of home improvement merchandise, the Yankee Group noted that one vendor, Interac, Woodland Hills, Calif., has introduced a system that helps shoppers select carpeting. The pilot for the program began earlier this year.

Not mentioned in the Yankee Group's report, but relevant to the advance of electronic shopping in the home center area, is the installation of kiosks from Laser Media, Memphis, Tenn., in such chains as Rickel and Central Hardware (*NHCN*, Sept. 10, 1984).

Firm predicts electronic shopping to skyrocket

Installed video interactive merchandising systems

	Total	Nontransactional	Transactional
1984	650	620	30
1985	3,700	2,000	1,700
1986	11,200	6,000	5,200
1987	22,500	13,000	9,500

Source: The Yankee Group; *NHCN* chart

Installations of video interactive merchandising systems are expected to increase rapidly over the next few years, with nontransactional models leading the way.

"The biggest thing we harp on is how to handle customers," said Phil Levy, flanked by Harold Skaggs and Steve Levy.

Levy's promotes on-going training

LOUISVILLE — "Sometimes I holler at them, and sometimes they holler back at me. I don't look at people like they work for me, but like they work with me," says Phillip Levy, president of Levy's. "Sometimes it works, sometimes it doesn't."

Levy's personal approach to how his staff works is also reflected in his training program, and in his on-going training sessions. "We try to get everyone to understand procedures and to do everything like they were me," says Levy.

In order to impart his techniques, Levy has training sessions for current employees every Saturday morning. "The biggest thing we harp on is how to handle customers," says Levy. In addition to handling customers, Levy's Saturday morning sessions also focus on sales techniques and product knowledge. These sessions are led by manufacturer representatives or by experienced employees.

When Levy's brings in a new employee for its sales staff, the person spends two weeks in training before working on the sales floor. During that two weeks the trainee reviews the company's training manual and listens to instructional tapes.

After the books and tapes, the trainee moves on to a series of meetings with the buyers, management, credit, advertising and warehouse workers. During each of those meetings the trainee learns what each department does and how that relates to the trainee's responsibilities. The trainee is then assigned to spend some time at the main store, talking to people in each department and learning what brands and products each department carries.

When the trainee has learned all about brands, products and procedures, he or she then goes onto the sales floor as a junior salesman and is under supervision of a senior member of the sales staff. While Levy says that some trainees learn faster than others, most are ready to work alone in about a month.

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